

FINANCIAL TIMES

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Business
in Germany?

Landesbanken
Sparkassen

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.8; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Pta 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY

GENERAL

Bomb attack in Iraq envoy

bomb exploded in London yesterday under the car of the Ambassador to Britain. Island Yard is not linking the attack with Britain's expulsion of Iraqis.

Mr. Owen, Foreign Secretary, last night, condemned the attack, saying that Britain "will not tolerate" other countries' conflicts being fought here. But he said there were no plans to break diplomatic relations.

The explosion occurred just after the ambassador, Mr. Taha al-Dawood, was to leave Heathrow airport to take up new appointment in Saudi Arabia. Embassy staff said he delayed from leaving the embassy by a telephone call which came as he was saying goodbye to his staff.

A woman was stopped by passers-by and was helping him with their inquiries last night. Two people were taken hospital after the explosion.

Temporary measure

Portuguese President Antonio de Oliveira Salazar has begun his search for a new government, following his dismissal as Socialist Prime Minister Dr. Mario Soares' actions cannot be held before July, but Dr. Soares has agreed to keep the administration "ticking over" in the meantime.

Cuba denounced

India has denounced Cuba as agent of the Soviet Union and it was unworthy of membership of the non-aligned nations' movement. The Cuban Foreign Minister told the non-aligned nations' conference in India that Cuba saw its role in Africa as a fight against the clerical backwardness of official oppression." Page 2

Dividend controls

Government legislation extends dividend controls for another 12 months was given a second reading without a vote by the Lords yesterday. Page 4

Test cricket

England were 222 for seven in New Zealand's 234 in second day of the Oval Test, the Lumberton Anglican 100s' conference will field an including players from India, Australia and Japan, instead of Kent University team.

Trade threat

The U.S. Senate has voted to ban a trade embargo against India because of violations of human rights by President Indira Gandhi. The vote on an amendment to a Bill which is not likely to be passed until next week.

Soccer ruling

Mississippi Bennett, 12, will never play soccer for her local junior football club. Appeal court judges ruled yesterday that football did not come within the scope of the Sex Discrimination Act. Lord Justice Eversley said: "The physical attributes of mankind put them at a disadvantage."

Jeffy . . .

Christina Onassis confirmed she is marrying Sergei Kauzov, a former Soviet shipping agency.

Number of unemployed in industrialised countries is growing by 1,900 a day, says the International Labour Organisation.

Autumn and winter fashion has been emphasising skirts, sheer black stockings and high-heeled shoes.

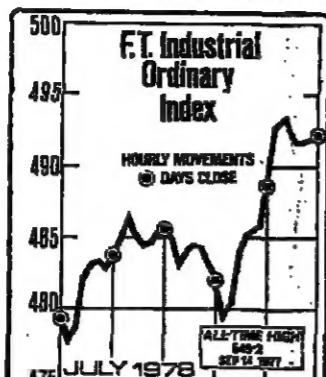
Mr. Brown, the world's first tube baby, will be gentle, easy, easily swayed and utterly well off, says a lead Thai astrologer.

National Union of Journalists the Sun strike last night and agreed that journalists would be allowed to take the strike to ACAS. Page 4

BUSINESS

Gold mines at two-year high

• EQUITIES advanced on a broad front, with the FT ordinary index 3.3 up to 452.1, its highest since January 4. Gold



shares, responding to the bullion price rise, pushed the Gold Mines index to a two-year peak of 183.4.

• GILTS reverted to overnight levels at the long end after the announcement of a new long-term tap, and the Government Securities index closed 0.05 down at 70.74.

• STERLING rose 1.75p to 2.250 and its trade weighted index rose to 62.5 (62.2). The dollar was weakened on selling from U.S. centres and its depreciation widened to 8.9 per cent.

• GOLD rose 57 to \$301 in London, while in New York the Comex August settlement price rose \$2.40 to \$200.60.

• WALL STREET closed 5.72 up at 856.29.

• WEST GERMAN Government has announced an economic package worth DM 12.25bn (£3.14bn) for 1978 with the emphasis on cuts in personal taxation and increased family benefits. The Cabinet also agreed a DM 20.6bn budget for next year, an increase of 8.4 per cent on 1978. Page 2

• LOCAL AUTHORITY and central Government spending during 1977-78 remained within the £32.5bn cash limit. The 1 per cent underspending was due to fewer staff than forecast and delays in undertaking capital expenditure, the Treasury said. Page 3

• SALARIES for MPs and Ministers for the coming year are to be referred to the Top Salaries Review Board, which will almost certainly result in the recommendation of rises above the Government's 5 per cent under Phase Four. Page 3

• CIVIL SERVANTS' industrial dispute, which has affected Britain's key Polaroid bases and threatens to spread to other defence establishments, could be averted if a peace formula worked out by Ministers and union leaders is accepted. Back Page

• GUARDIAN ROYAL Exchange and Reed International have announced moves to reduce their interests in South Africa. Back Page

• BURMAH Oil's application for the release by the Bank of England of secret documents it considers important to a £500m action for the return of Burmese BP shareholding has been rejected in the High Court.

• MULLARD, the UK's only surviving colour TV tubes manufacturer and a subsidiary of Philips, is to invest £24m in the next three years in the manufacture of 20 and 22 inch colour tubes. Page 18

• WEST GERMAN industrial company Preussag has acquired a controlling interest in the UK metal trading and tin smelting group Amalgamated Metal Corporation Patino. Back Page

• PRICE COMMISSION has been asked by the Department of Trade to investigate the charges made by managers of unit trusts. Back Page

£es in pence unless otherwise indicated)

RISSES

Att Devs. 113 + 6
Tele Bambu 122 + 15
Hollingsworth 122 + 15
ton Estate 109 + 6
ton A. 140 + 4
elton Jenson 140 + 6
y Mill 342 + 9
tronic Rentals 135 + 5
tes Prop. Invs. 101 + 5
ht Refuelling 183 + 7
SA 312 + 8
280 + 5
na Invs. 80 + 5
ock Johnson 182 + 7
y Shad 155 + 7
hield J. 20 + 7
ntrol Longman 278 + 10
erson Longman 260 + 3

FALLS

Brady Inds. 48 - 6
Gen. Eng. (Radcliffe) 12 - 6
Inchcape 370 - 18
Midland Bank 352 - 13
Burns Oil 68 - 3

EEC challenge to British aid for offshore suppliers

BY RAY DAFTER AND GUY DE JONQUIERES

The EEC Commission is planning to challenge several aspects of Britain's North Sea policies, including the activities of a Government agency set up to aid UK suppliers of offshore equipment and services.

An investigation into the EEC's policies on the North Sea is to be carried out by the Commission's Economic and Social Committee.

Within Brussels it is not expected that action will be taken before October. The Commission is not anxious to become embroiled in a political battle with Mr. Benn, a convinced anti-Marketeer.

On Monday, Mr. Benn will meet with union representatives from the oil industry to discuss what he considers to be a threat to Britain's North Sea.

The meeting will be attended by officers of the Transport and General Workers' Union, the Association of Scientific, Technical and Managerial Staffs, the General and Municipal Workers' Union, the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union.

Mr. Roger Lyons, a national officer of ASTMS, vice-chairman of the chemical unions council and a leading member of the associated oil refinery committee, said yesterday: "The whole UK industrial strategy for oil, gas and petrochemicals has become threatened by these actions."

State participation agreements with North Sea oil companies had been given a "full and fair" opportunity to compete for North Sea work.

The agency's latest report shows that last year the UK industry was up 8.2 per cent share of the £1.3bn-worth of orders for goods and services.

But within the Commission

there has been concern that the EEC's policy is being applied undue pressure on oil companies to buy from British suppliers.

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Mr. Benn has also spoken out against EEC plans at two recent meetings: a Social Sciences Research Council energy seminar and — earlier this week — a National Coal Board advanced management course.

Mr. Benn is also angry that Britain is attempting to sign a nuclear safeguards agreement with Australia for the supply of uranium during the 1980s.

The Commission this week

is continuing in Britain's disagreement with Brussels over the UK system of interest relief grants provided for domestic suppliers of North Sea oil equipment.

The Commission has been seeking changes in the scheme and Mr. Benn has promised formal review by the end of this month.

The relief grants scheme, in force for about five years, provides interest subsidies of 3 per cent on loans to UK suppliers of offshore equipment.

It is understood that the UK Government will suggest that the scheme should be extended to suppliers in other EEC countries.



Price of gold tops \$200

BY MICHAEL BLANDEN

THE GOLD PRICE jumped to a record level yesterday on heavy speculation buying as the dollar continued under pressure in the exchange markets.

Gold touched a best level of \$202 an ounce, and closed in London at \$200 for a record \$73 on the day. The previous high closing rate was \$195, reached in late December 1974.

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The metal has been in strong demand for over a week, mainly as a result of the continuing unrest in the exchange markets associated with the weakness of the U.S. dollar.

The gold price at yesterday's closing level showed a rise of \$3 compared with a week earlier, and of \$17 compared with its level at the beginning of last week.

The pressure on the dollar was again most evident in relation to the Japanese yen. The yen rose to another post-war record level of Y194.3 to the dollar, compared with Y183.6 the previous day, and at one stage touched Y189.5 to the dollar.

The rise in the yen has continued in spite of heavy intervention by the Central Bank of Tokyo, which the Central Bank estimated yesterday to have bought \$240m more after purchases of \$450m in the previous day's exceptionally heavy trading.

The weakness of the dollar has also been manifest against other currencies. Yesterday it dropped to a new low against the Swiss franc at \$1.7470 before closing at \$1.7525.

The weighted average depreciation of the dollar, as calculated by Morgan Guaranty in New York, widened to 8.9 per cent its worst level since March 1975.

Continued on Back Page

Mining, Page 5

£ in New York

| | July 28 | Previous |
|-----------|---------------|---------------|
| Spot | \$1.9255-6555 | \$1.9100-3110 |
| 1 month | 1.420-3500 | 1.420-4600 |
| 3 months | 1.22-11800 | 1.22-11700 |
| 12 months | 1.02-10100 | 1.02-4200 |

AIRPORTS THROUGHOUT the today, as aircraft became increasingly out of position, and flight crews run out of legally allowable duty time. The advice from the Civil Aviation Authority and British Airports Authority yesterday was: "If you don't have to travel, stay away from the airports."

At Heathrow, delays ranged up to seven hours, depending on destination, with direct flights affected and with delays of three to four hours for destinations in Central Europe and the Eastern Mediterranean.

All French air traffic controllers have joined the go-slow begun two weekends ago by controllers in Bordeaux in pursuit of better pay and working conditions.

This weekend is the busiest of the year in Western Europe, with more than 4,000 international European flights, carrying up to 1m people, scheduled over the three days to Monday morning.

The Bordeaux controllers have been joined by those in Paris, Bretagne and Aix-en-Provence (from the Marseilles region).

Consequently, all French air space is restricted. At one point yesterday afternoon, only one flight an hour was being allowed to and from the UK, but that was increased later to four an hour.

French international and domestic air services have also been disrupted.

In the UK yesterday, transatlantic flights were functioning normally. They use the London, Scottish, Shannon and Stansted Oceanic control zones. UK internal flights and those to and from Scandinavia and Northern Europe were also unaffected.

Gatwick, among other airports, brought in extra staff and caterers, and with one in three flights delayed, estimated to have been 5,000 hopeful travellers were jamming the airport, and some passengers were in tents on the grass outside.

The delays may get worse

Midland profits drop

BY MICHAEL BLANDEN

MIDLAND BANK yesterday announced that its profits for the first half of the year had dropped by over 14 per cent compared with the same period of last year.

Concluding the mid-year bank profit season, Midland reported a pre-tax total of £87.5m for the six months.

This compared with £90.4m in the second half of last year and with £102.4m in the first half of 1977.

The results disappointed the stock market after the improvement shown on the previous

day by Barclays. Midland shares ended with a loss of 15p at 352p, after touching 350p during the day.

The bank reported that the fall in profits was largely attributable to the lower level of UK interest rates and margins, and to rising costs.

Midland has achieved an increase in its share of the lending market, with total loans up by 25-30 per cent over the past year. But this has been partly at the cost of relatively lower margins.

Lex Back Page
Details Page 14

11.5% Payable Quarterly.
Estimated gross starting yield.

HOME NEWS

Belfast car plant plan threatened by U.S. \$40m credit

BY DAVID LASCELLES AND KENNETH GOODING

JOHN DeLOREAN, the U.S. entrepreneur who has created some 2,000 jobs in a region where unemployment is nearly 30 per cent, is on the possibility of building a car plant in Ulster. He has received \$40m in U.S. Government credit support to build the plant in Puerto Rico. Mr. DeLoorean's office in Dublin could offer no immediate clarification as to either that spell the end of the Northern Ireland venture. Mr. DeLoorean was not available, however, the Northern Ireland Development Office has by no means abandoned hope of saving the project for tomorrow. On Belfast's sparsely built outskirts and near the predominantly Roman Catholic areas of west Belfast. The area is some of Ulster's and the U.K.'s highest levels of employment. The British Government seems to contribute up to £20m, about £5,000 a job compared with the usual average of £10,000 a job in Ulster, to attract the DeLoorean scheme. But the U.S. Department of Commerce, which with the Department of Agriculture, is guaranteeing half the \$40m, said yesterday that the Puerto Rican venture is to go ahead, probably towards the end of summer. The Department's loan guarantee will be used to build the plant at a disused air force base in one of Puerto Rico's most

Yarn plant closure, Page 4

GEC puts in £100m 'propaganda' bid

BY JOHN LLOYD AND TIM DICKSON

THE GENERAL ELECTRIC company has made a bid for the design in the "B" Station 100-megawatt turbine contract for Drax "B" coal-fired power station in Yorkshire which is substantially lower than the bid by GEC's major competitor in the field, C. A. Parsons. It is now part of Northern Engineering Industries. Parsons has stepped up the propaganda battle between the companies by claiming that it supplies the most efficient turbines in the country's electricity system. The General Electric bid stood a chance of being accepted and was turned down by Mr. John Lloyd, the Central Electricity Generating Board's chairman. It seems to have been done more to embarrass Parsons than the Generating Board than to seriously consider. There are two reasons why it is virtually impossible for the Generating Board to place the order with GEC. First, the Government made it clear to the Board that it wanted a turbine contract to go to Parsons to provide continued employment at the company's base plant. Second, Drax "A" Station has these generators are Rugeley, two 850-megawatt turbines Fairley, Radcliffe, Drax, supplied by Parsons, and it is broke and Ferrybridge.

Antique timepieces fetch £165,000 at Sotheby's

BY PAMELA JUDGE

LOCKS, WATCHES and scientific instruments sold through Sotheby's in London yesterday totalled £165,278. R. A. Lee successfully bid £500 for an ebony-veneered arter-repeating alarm bracket clock signed Dani. Dejander London, and a similar price was bid by Bobinet for a heavy gold cased minute repeating pocket watch with perpetual calendar and chronograph. In the morning Sotheby's also sold English furniture for a total of £77,824. A Tabriz carpet made £6,000. In the afternoon, the amount paid for dolls was £2,698. A Steiner bisque model totalled £220. The final total for the two-day sale of printed books at Sotheby's Chancery Lane was £2,932 with £16,844 the figure for George III sauceboats. Stamps and law papers relating totalled £22,150.

SALEROOM

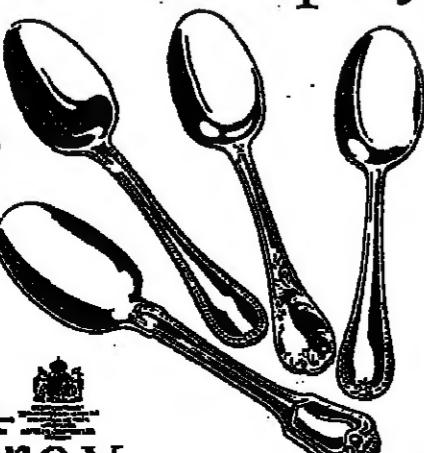
PAMELA JUDGE

for a total of £20,475, including a first edition of Jane Austen's Sense and Sensibility at £4,500.

Old Masters at Christie's included a picture of sheep and a peasant in a landscape, possibly by van de Velde, which went for £140,370.

Christie's South Kensington, sold printed books

'It could only have come from Asprey'

Christofle
Silver plated cutlery

55-169 New Bond Street, London W1Y 0AR Tel: 01-495 6767

Extra £90m agreed for shipyard bids

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITAIN HAS won EEC approval to spend a further £90m in subsidising bids from its shipyards for contracts which might otherwise be lost to foreign companies with lower production costs.

But the Commission's agreement, formally reached yesterday by the competition directorate, covers only the period to December 31 of this year, by which time the Commission expects British Shipbuilders to have produced a corporate plan providing for the restructuring of the British industry.

The absence of any such restructuring plan has been behind the long-drawn-out negotiations which preceded yesterday's decision.

The Government has publicly set its face against any planned cut in the industry's capacity, but informally has assured the Commission that the workforce will be reduced and some facilities run down.

The first intervention fund of £65m, announced 18 months ago, is now virtually exhausted, and was used to offer shipowners up to 25 per cent reductions in shipyards' normal prices.

The most interesting point about yesterday's announcement, which has not yet been formally

Burmah loses fight for papers

BY MARGARET REID

A HIGH COURT judge yesterday rejected an application by Burmah Oil for the release by the Bank of England of £2 secret documents. Burmah believes the documents are important to its £200m action against the Bank for the return of its former shareholding in British Petroleum.

The fact that EEC approval has been required for this latest subvention is believed to have caused the delay in signing the contract, the investment for which was approved by the Commission early this year.

The document demonstrated members' inability to agree on co-ordinated restructuring of the industry and was a major factor from the Commission's hawkish position of a year ago.

• The Defence Ministry has placed an order with Vickers Shipbuilding Group for construction of the 14th nuclear-powered

Fleet submarine, worth about £50m.

The submarine will be the second in the new Trafalgar Class, the first of which was ordered last September.

These submarines will have advanced equipment, long endurance, high speed and the ability to operate at depth which will enable them to be highly effective in their primary role of hunting enemy submarines and surface ships.

As with previous nuclear-powered submarines, Rolls-Royce and Associates will have special responsibility for the design and procurement of the nuclear reactor plant equipment.

The contract has been won with

Harland and Wolff of Belfast

has won an order worth £25m

to build two ferries for British

Sealink's Dover-Calais route.

The contract has been won with

the Royal Mail

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an injunction to avoid the

implication that they are all-

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Although the Board has been

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HOME NEWS

Telephone engineers disrupt business of U.S. bank group

BY MICHAEL BLANDEN

CONTINENTAL ILLINOIS, the was managing with about four Chicago-based banking group, is fifth of telephone extensions meeting big obstacles at its new working.

London headquarters as a result. The branch was able to continue working but was experiencing considerable difficulties and suffering costs directly and as a result of lost business opportunities.

The Post Office Engineering Union, which is campaigning for a 35-hour week, has blocked work on the building after the bank's new switchboard was connected by a member of the Post Office senior management.

Mr. Kirk Hagan, general manager of the branch in Queen Victoria Street, the former Printing House Square headquarters of The Times newspaper said yesterday that as a result, dealers had no Reuter monitor on wire services.

The foreign exchange and money market room was operating with only a fraction of the engineers' industrial action. The planned number of direct broker

the Post Office management. When that was discovered by the union, the bank was blacked.

Courtaulds to close Ulster yarn section

BY OUR BELFAST CORRESPONDENT

COURTAULDS proposes to close its Tenasco industrial yarn department at its Carrickfergus plant, Ulster, putting 255 out of work.

Producing of Tenasco, used mainly in the fabric body of vehicle tyres, is to be concentrated at the company's Preston factory, where capacity is three or four times larger than Carrickfergus.

The Ulster plant's labour force would be cut to about 1,400 by the proposal which is to be discussed with the unions.

Demand for Tenasco has fallen steadily over five years. Courtaulds blamed this on greatly increased tyre life, the increased use of steel in tyres, and the redundant.

Lloyd's Savonita probe will be delayed

BY JOHN MOORE

THE LLOYD'S of London team terms of reference," Mr. Clark said. The inquiry was set up in April after allegations in the Commons by Mr. Jonathan Aitken, Tory MP for Thanet East on the settlement of reinsurance claims on 301 Fiat cars damaged

on board the cargo ship Savonita. Pearson Webb Springbett, the brokers involved in the arrangement of reinsurance for the then Fiat-controlled insurance company SLAT, decided not to press the claim in the London market after loss adjuster's report suggested that it was a doubtful claim.

Pearson Webb was then dismissed as brokers by the Fiat insurance company and replaced by Willis Faber, which it is alleged exerted pressure on the underwriters to settle. Eventually 96 per cent of the claim was paid. "In a matter like this it is bound to spread outside the to be made public.

NBC insured for \$40m over Olympic Games

BY JOHN MOORE

LLOYD'S of London has insured NBC, the U.S. TV company, for more than \$40m on its coverage for the 1980 Olympic Games in Moscow.

NBC is insured against any cancellation of the Games because of a political flare-up between the participating countries or if the Americans have to pull out because of any political row.

The placing of the business—a political risk insurance cover for the 1980 Games because of the Rabin attitude towards dissidents. NBC would then need to make a claim.

Dividend curb extension meets no opposition

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

GOVERNMENT LEGISLATION extending statutory 10 per cent dividend controls for a further 12 months was given a second reading without a vote in the Lords yesterday.

The Dividends Bill is expected to go through all its remaining stages in the Lords on Monday and receive Royal Assent the same day.

No significant opposition is expected from the peers during Monday's Committee Stage and the Conservatives and Liberals are not expecting to put down any amendments.

Possibly, however, Lord Nonstop, crossbencher, will try to amend the legislation. Yesterday he described it as a cynical and contemptible Bill. "We must amend it next Monday to reduce the scope of operation for the harm it does."

Should snags arise, they will embarrass the Government, as the present controls expire on Monday. The Government would have little time to rectify matters as the Lords rise for the summer recess on Wednesday and the Commons breaks up on Thursday.

Yesterday's Lords debate came

Home rate for water may be raised

BY LYNTON McLAIN, INDUSTRIAL STAFF

THE THAMES Water Authority proposed yesterday that within three years, there should be a sharp rise in water charges to造出 low rates for industry and commerce and higher rates for domestic users.

It also proposed that there should be a switch of charges from the highly rated domestic premises to lower-rated premises "to get a more even spread of charges."

Moves in this direction had already started with the introduction of the two-tariff charging system for householders.

This came into effect in April and imposed a £4 standing charge for sewerage services and a £4 charge for water services.

An equitable system of charging had to be introduced which was related directly to the costs of the house—previously the sole criteria determining water charges.

The changes would mean that a house with a rateable value of £100, which now paid an average £17.80 per year in water charges, would pay £25.76.

"Environmental service costs" covering surface water drainage may also be recovered from all customers as a percentage addition to other charges. This was based on a water authority decision to treat drainage as a "community benefit."

The proposals were outlined in a discussion paper which gave options open to Britain to meet the legal requirements of a five-year-old Act of Parliament.

The 1973 Water Act required water authorities to ensure that from April 1, 1981, water charges did not discriminate against any group of customers.

Domestic users now accounted for £15m—49 per cent—of the total income received by Thames Water under the two-part tariff. Non domestic users contributed £120m.

The authority's plans to raise prices by 9.5 per cent from last April were upheld by the Price Commission last month.

The rise was held at 7.2 per cent during the commission's investigation.

Thames Water decided that, although it had permission to go ahead with the difference of 2.2 percentage points, it would wait until next April before raising prices again.

LABOUR NEWS

Ambulances banned by crews

BY OUR OWN CORRESPONDENT

LARGE AREAS of Scotland were without normal ambulance services yesterday, after further trouble with the services fleet of Bedford CF 25 vehicles.

Crews in Edinburgh and Glasgow decided to ban the Bedfords after a wheel fell off an ambulance taking a boy to hospital in Glasgow on Thursday night and an Edinburgh driver reported a rattling in the rear wheel.

Their action—which means emergency-only services being operated in both cities by Morris ambulances—follows protests by crews in Renfrew and Greenock districts. They have been banning the

independent consultants since the first incident 18 months ago. They are trying to find out why rear-wheel nuts loosen suddenly and unexpectedly.

The dispute seems likely to continue until the Common Services' Agency, which administers the Scottish ambulance Service, reports on the findings of a special committee set up after the Renfrew and Greenock incident.

Even intended daily checks on the wheel nuts have not solved the problem. The driver in Glasgow on Thursday night said he had checked the nuts before he set out. He had done only four trips around the city before they all came off.

The company cannot understand why the problem seems to occur only in Scottish ambulances.

Intensive investigations have

been held by the company and

prepared to meet them at any time.

The union was asked by the Council of the Newspaper Publishers' Association earlier this week to give an assurance that it would abide by agreed disputes procedures.

Mr. Bert Hards, general manager and chief executive, said last night that only the journalists could offer a solution to the dispute by returning to work. The pay issue was already "a very difficult one" which would involve a great deal of talking.

• The NUJ executive council, meeting in London last night, described as "absolute rubbish, irresponsible and totally without foundation" a report that the company was planning to ask the Government for another big cash injection to stop the UK subsidiary closing down.

The denial comes in the wake of latest figures from the parent corporation showing a second-quarter deficit of about £87,000 for the UK company after a small first-quarter profit.

Doubts about the future of the strike-hit Llwood plant have been voiced, and are believed to have been mentioned at a meeting on Wednesday when Mr. Eric Varley, Industry Secretary, and other Ministers were present.

Yesterday's discussions are understood to have concentrated on a dispute, which arose from management attempts to speed up production by new ways of determining temperatures in the hottest parts of the paint shop.

About 550 paint shop workers are resisting attempts to change their rest breaks in these areas. Over 4,000 workers have been laid off.

Without some kind of agreement in the next week, the plant may not restart production at the end of the three-week holiday on August 7.

It said: "The company reserves the right to sack damages from you as compensation for the loss which it has suffered as a result of your breach of contract."

Mr. Ken Ashton, general secretary of the NUJ, said last night that the union was "impressed by the Sun journalists' initial loss of confidence in their employer's behaviour. Our members are any kind by last Friday, July 21.

Sun journalists backed by union

BY PAULINE CLARK, LABOUR STAFF

THE National Union of Journalists has given its official backing to a dispute by the Sun newspaper where journalists have been sacked for taking industrial action over pay claim.

At a further meeting in London of trade union and Department of Industry officials and company management, various unspecified proposals were put forward. These will be considered by the two sides in the dispute and another meeting has been arranged for Tuesday.

Meanwhile, Mr. George Lacy, managing director of Chrysler UK, last night described as "absolute rubbish, irresponsible and totally without foundation" a report that the company was planning to ask the Government for another big cash injection to stop the UK subsidiary closing down.

The dispute, which has so far cost the paper an estimated £500,000 and resulted in the loss of about 300 copies, involves about 220 editorial staff.

The management says that the dispute centres largely on the interpretation of what should constitute a productivity deal.

In its letters of dismissal to the journalists on Thursday night, the management took the unusual step of reserving the right to seek damages from the strikers.

It said: "The company reserves the right to seek damages from you as compensation for the loss which it has suffered as a result of your breach of contract."

In April of this year, the agreed disputes procedure was invoked in relations to five specific cases of extra responsibility. Despite meetings on three separate occasions, the company had put forward no proposal of any kind by last Friday, July 21.

Early pensions help plant redundancies

BY OUR MIDLANDS CORRESPONDENT

MASSEY-FERGUSON, the Coventry-based tractor maker, has achieved 900 of its 1,020 redundancies by voluntary means and early retirement.

The remaining 6,600 workers at Coventry return to fulltime working next week after the holidays since short time and later redundancy was introduced at Easter.

They are members of the NALGO British Gas Operation branch. Mr. John Newell, the branch vice-chairman, said yesterday that it was difficult to predict what effect their action would have.

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Negotiations with British Gas

were continuing and the workers' action was not supported by the union.

Gas control workers plan unofficial strike

BY OUR MIDLANDS CORRESPONDENT

WORKERS who control the flow of natural gas into the national grid system are staging an unofficial 24-hour strike next Monday which may reduce pressure in some areas.

They are complaining of delay in an agreement on trade union facilities between the National and Local Government Officers Association and British Gas.

They are members of the NALGO British Gas Operation branch. Mr. John Newell, the branch vice-chairman, said yesterday that it was difficult to predict what effect their action would have.

Negotiations with British Gas were continuing and the workers' action was not supported by the union.

£2.5m German order disputed

FINANCIAL TIMES REPORTER

A COMPANY'S decision to buy £2.5m worth of machinery from Germany has sparked a political row involving Mr. Eric Varley, Industry Secretary, and Mr. Anthony Wedgwood Benn, Energy Secretary.

Thames Board, a subsidiary of Unilever, which manufactures cartons and has placed an order for £2.5m for sheeting machinery with the German company of Jagenberg. The machinery will complement

£10m worth of machinery already ordered from a British company, Beloit Walmsley.

The machinery is part of an £8.5m expansion plan undertaken by Thames Board at its Worksop mill to increase capacity by 50 per cent to 150,000 tonnes of duplex board a year.

It is estimated that it will

Industry uses more steel

By John Lloyd

STEEL consumption by UK industry in the first quarter of this year was up significantly over the same period last year. It was also higher than in the previous quarter, according to Department of Industry figures.

The Department has changed its method of calculation "to improve the estimates," it says. Two sets are given, first those calculated on the new basis, then (in brackets) those calculated on a comparable basis with previous figures.

The rise in the price of most European wine reflects a genuine scarcity of many types. Stock are low and the problem is being exacerbated

by demand from the U.S. where there is a boom in white wine drinking.

Investors have neglected Australia for a number of years, but there are now signs of a real revival of interest. The M&G Australasian and General Fund is particularly well-placed to take advantage of any recovery. Please complete the coupon for the latest Fund Managers' Report.

To: M&G Group Ltd, Three Quays, Tower Hill, London EC3R 8PF. Telephone: 01-824 1588. Please send me full details of the M&G Australasian & General Fund.

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INVEST IN AUSTRALIA

Wine sales and prices may rise sharply

BY KENNETH GOODING

WINE SALES in Britain seem set for another boom, but prices are also due to rise sharply, according to the latest official statistics.

Customs clearances of wine in the first five months of this year were 39 per cent, or nearly 7m gallons, ahead of the same period of 1977, at 24.8m gallons.

The Wine and Spirit Association estimates that this means that about 50m extra bottles of wine were drunk—including British wines—in only 3 per cent on the same period

ago (to 7.2m gallons).

But the value soared 25 per cent to nearly £36m.

Italian wine arrivals fell 4 per cent, to 3m gallons, but the value was nearly 2 per cent up at £6m.

Wine from West Germany—2.2m gallons worth £8.5m—showed increases of 9.6 per cent in volume and 17.2 per cent in value.

Portuguese wine imports fell over 2 per cent to 1.2m gallons, but the value increased 29 per cent to just

under £5m. The only country

departing from the trend was Spain, second-largest supplier

of wine to the UK. Imports

over the five months fell 6.5 per cent to 7.2m gallons and the value dropped 9.4 per cent to £13m.

The rise in the price of most

European wine reflects a

genuine scarcity of many

THE WEEK IN THE MARKETS

Equities in good heart

Despite the prospect of another round of statutory dividend controls the equity market was in fine form over the week. On Thursday it even managed to turn an initial 2.7 fall in the FT Ordinary Index into a 6.8 rise at the close. By the end of the week the index had risen nearly 13 points while the FT All-Share Index was within a whisker of its all time peak. Some institutional demand in a market very short of stock was basically given as the reason behind the unexpected buoyancy.

Gilts also kicked off in good heart and the long lap was exhausted on Monday. But thereafter the market soon drifted away until the decision on Thursday to release another tranche of the special deposits restored confidence, and the announcement of a new long lap yesterday caused few ripples in the market.

Thomson reshuffle

Thomson Organisation's decision to exercise its option to take over the Thomson family's lucrative North Sea oil interests was nowhere near as simple as outside observers had been expecting.

The first part is straightforward enough. Thomson is finally taking over the family's stakes in the Piper and Claymore oilfields now that they are developed and nearing peak production. However, the deal is complicated by the decision to take over the remaining 10 per cent family interest (to avoid conflicts of interest) and inject the whole lot into a brand new Canadian company, International Thomson Organisation. The combined group is forecasting attributable profits of £55m in the current year of which just over two-thirds will reflect oil income.

Apart from the fact that Canada is the Thomson family home (it already owns four-fifths of Thomson Organisation), the move is designed to help the group utilises its rapidly rising cash balances. It has £100m in the kitty at the moment and will be generating upwards of £50m per annum surplus to its existing requirements over the next few years. If it tried to invest these from a UK base it would be subject to exchange controls and dividend restraint as well as monopoly legislation.

Although the deal is complicated by Mr. David Hopkinson, chairman of investment Ultramar has a big refinery in Thomson Organisation seem

to have been treated fairly. Their dividend has been quadrupled and a quarter of each Thomson share is now effectively rated as a foreign currency security—some people had been hoping for more. However, those investors who had been running the share price up to 285p, where it was suspended, were in for a disappointment. When dealings restarted this week the price settled down around 270-280p.

Stag fever

Deals in jewellers Ernest Jones started this week at a premium of 30p (offered at 15p) to conclude yet another highly successful offer for sale. Putting aside Hunting, which was a special case—the parent floating off part of the company—the response to the last three offers, Eurotherm, Cartiers and Jones has been overwhelming. Saga Holidays broke the ice last March and though the initial response was more muted than that to the next three issues Saga's price is now 50 per cent above the March offer.

The fixed interest new issue market has also had its excitement. This week a £15m offering by Camden council attracted

LONDON
ONLOOKER

applications for around £800m; a couple of good days in the gilt market between the time when the terms were pitched and application day completely changed the picture.

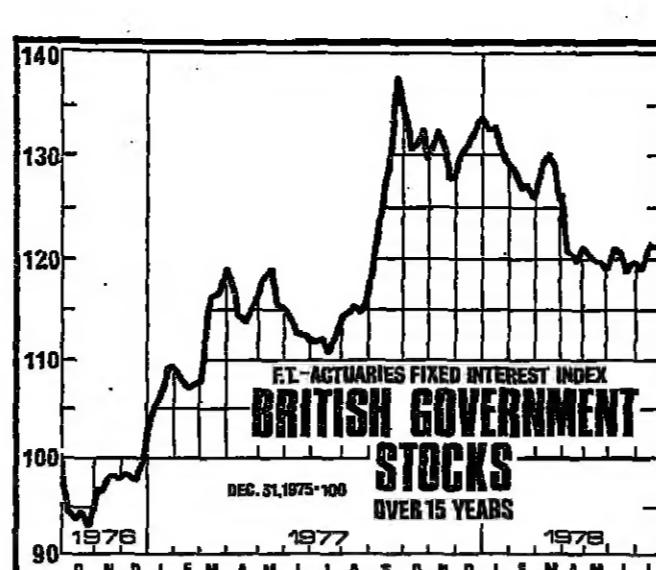
But these tremendous responses are unlikely to tempt the issuing houses into pitching their offer prices that much higher. The dividing line between success and failure is very narrow and a flop after these recent showings would be a very black mark. Moreover it might put off what few equity issues are coming to the market.

Bouquets & brickbats

Bouquets for Spillers and brickbats for J. Lyons was M&G unit trust group's contribution to the two companies' AGMs held this week.

At issue was the companies' policies on dividends. The trouble in Canada is similar to that in Europe: too much was to be congratulated, according to Mr. David Hopkinson, capacity and stagnant demand as well as monopoly legislation.

Although the deal is complicated by Mr. David Hopkinson, chairman of investment Ultramar has a big refinery in Thomson Organisation seem



a final dividend—albeit reduced thirds of maximum capacity. In despite the tremendous problems it has faced as a result of the collapse of its baking business, the company is now showing it could process 143,000 good trading volume fuelled by gathering institutional participation. Powering the minor rally were the household names such as Polaroid, which has been trading around its best price since 1974, IBM, Eastman Kodak and Texas Instruments.

By this morning, however, the world at large was tugging at the investor's sleeve of attention.

The new move is a proposed purchase of a Shell subsidiary, Canadian Fuel Marketers, at a cost of some £25m to £50m.

He said that both companies had faced similar difficulties but guarantees. The idea is to secure further outlets for rather than forego a final dividend.

Mr. M. G. funds control a 5 per cent stake in Spillers

costs of the refinery, this could

theoretically have a marked effect on profitability.

Mr. Hopkinson said that it was likely that both companies were wholly convinced.

Ultramar would in the next few years already sell some of its oil products to come to shareholders' ducts through CFC so the effect

for further funds. They were on throughput may not be that much more likely to meet this great.

When Ultramar issues

call where there's a consistent explanatory circular to shareholders it will have to

convince some doubters among them that it is not throwing

good money after bad, spending

too freely now that the Indonesian ship has come in.

However, this view clashes with the textbook definition of risk capital. When a company is successful its shareholders should be rewarded. When it is in financial difficulties, it has no business to be paying out dividends and adding to its burdens.

Oil outlets

Ultramar, the independent oil company whose Indonesian oil field is now producing a strong cash flow, this week announced a move intended to put right its loss-making refining and marketing operation in East

Canada.

The trouble in Canada is similar to that in Europe: too much

was to be congratulated, according to Mr. David Hopkinson, chairman of investment Ultramar has a big refinery in Thomson Organisation seem

MARKET HIGHLIGHTS OF THE WEEK

| | Price Y/day | Change on Week | 1978 High | 1978 Low | |
|------------------------|-------------|----------------|-----------|----------|----------------------------------|
| Ind. Ord. Index | 492.1 | +12.9 | 497.3 | 433.4 | Less harsh dividend controls |
| Gold Mines Index | 183.4 | + 8.4 | 183.4 | 130.3 | Surge in bullion prices |
| Barclays Bank | 342 | +17 | 358 | 296 | Better-than-expected int. figs. |
| Bourne & Hollingsworth | 212 | +97 | 212 | 79 | Bid approaches |
| Burton A. | 140 | +22 | 142 | 99 | Revived bid hopes |
| Clifford (Chas.) | 112 | +15 | 114 | 81 | Mr. Oliver Jessie acquires 29.4% |
| De La Rue | 402 | +42 | 402 | 230 | Chairman's optimistic statement |
| English Property | 37 | - 5 | 51 | 27 | Termination of bid talks |
| Farnell Electronics | 333 | +33 | 333 | 186 | Speculative demand |
| Furness Withy | 244 | +19 | 348 | 206 | Revived bid speculation |
| Inchcape | 370 | -35 | 445 | 350 | Profit setback |
| Ingram (H.) | 27 | -11 | 40 | 27 | Final dividend omission |
| Ladbrooke | 171 | +16 | 215 | 155 | Increased profits forecast |
| LASMO 'Ops' | 375 | +40 | 415 | 284 | Demand in thin market |
| M.L. Holdings | 155 | +25 | 155 | 88 | Speculative demand |
| Orme Developments | 57 | +14 | 58 | 40 | Bid from Comben Group |
| Pearce of Birmingham | 63 | +19 | 65 | 32 | Bid approach |
| Pearson Longman | 260 | +66 | 260 | 174 | S. Pearson bid for minority hide |
| Ricardo | 206 | +14 | 206 | 107 | Favourable Press comment |
| Thomson Organisation | 282 | -13 | 295 | 155 | Disappointment with reorg. terms |

U.K. INDICES

| | Average week to | July 28 | July 21 | July 14 |
|----------------------------|-----------------|---------|---------|---------|
| FINANCIAL TIMES | | | | |
| Govt. Secs. | 70.89 | 70.61 | 70.13 | |
| Fixed Interest | 72.19 | 71.62 | 71.73 | |
| Indust. Ord. | 486.4 | 473.8 | 470.8 | |
| Gold Mines | 174.6 | 164.8 | 159.5 | |
| Deals mkt. | 5,169 | 4,451 | 4,402 | |
| All-Share Index | + 7.0 | | | |
| THE WORST PERFORMERS | | | | |
| Office Equipment | + 4.3 | | | |
| Merchant Banks | + 12.9 | | | |
| Food Retailing | + 10.9 | | | |
| Insurance (Life) | + 10.7 | | | |
| Lt. Electronics, Radio, TV | + 9.7 | | | |
| Building Materials | + 9.6 | | | |
| All-Share Index | + 7.0 | | | |

FT ACTUARIES

| | | | |
|---------------------|--------|--------|--------|
| Capital Gds. | 223.25 | 216.77 | 214.56 |
| Consumer (Durable) | 204.96 | 198.87 | 197.85 |
| Cons. (Non-Durable) | 210.71 | 203.51 | 202.08 |
| Ind. Group | 218.91 | 212.29 | 210.46 |
| 500-Share | 241.83 | 235.52 | 234.28 |
| Financial Gp. | 167.73 | 164.98 | 162.24 |
| All-Share | 222.88 | 217.65 | 215.59 |
| Red. Debs. | 57.14 | 56.95 | 56.80 |

Opening gambit on punter's market

THE PHILIPPINES, famous for oil price rise of 1974. The oil price rise cut world trade and Marcos's martial law, is playing host to the Far East's latest their plunge to base levels.

Singapore, Hong Kong and Japan kept UK attention away from the Philippines during its time of trial and, as a result, most people missed the gradual improvement in commercial industrial corporate profits that occurred in 1977. Towards the end of that year local investors

started to take positions but the dramatic growth did not start until January this year.

At that time the Central Bank of the Philippines lowered the ceiling for interest yields on deposits with maturities of 730 days or less to 16 per cent. It

also indicated that the ceiling would come down to 15 per cent on July 1. It imposed a withholding tax of 35 per cent on interest income from most bonds and the two measures effectively slashed yields on short term debt securities from 16 per cent to around 8 per cent.

The Government's move was

supported by rapidly increasing

revenues and profits from listed

commercial and industrial com-

modity boom of the early

seventies aided domestic

liquidity but the balance of

trade was hit very hard by the

panics. The result was that

investors started to switch from short-term debt investment to commercial equities and the price boom gathered enough momentum to carry through to July 21.

Since then there has been a slight dip. Whether this is just a mild tremor or a plunge back to the nearest support level (roughly 40 points below its current peak) will

depend on the strength of a belief that a significant reappraisal of the commercial and industrial sector has taken place.

Many observers tend to accept that a change has taken place, and that further growth will follow the consolidation. They point to the low p/e ratios of leading stocks, the high cash yields, the rapid profit growth and the potential of the Philippines economy.

The mining sector, traditionally the major sector of the market, has been quiet for some time as commodity prices, particularly copper prices, have continued to languish. There was a bit of interest in copper shares when the Zaire invasion lifted spot prices and rumours

of a greater Japanese demand for copper concentrates also helped but together it was not enough to initiate a switch from the outcome of the Karpochi match. At the rate they are going it could turn out to be quite a long term investment.

The other main support for the continuation of the bull market is the high level of

domestic liquidity. While there

Minor rally

FOR MUCH of this week the stock market assumed the appearance of a house without windows, determinedly shutting out the rising din of worrisome economic news of a weakening dollar, rising wage settlements and stagnant productivity. Thus insulated, investors were dazzled by the attractions of two or three dozen stocks, mostly those traditionally tagged glamorous, whose earnings prospects this year range from good to excellent. This is not an illogical thing to do when the development of the economic world outside is still so very difficult to predict.

The approach proved very good for stocks and over the week the Dow Jones Industrial Average advanced 22.87 on July last year, a 12 month period of between 3 and 4 per cent in real terms, many find it hard to believe that short term interest rates can yet be near

their summit for this business

peaking in the next few months and that credit conditions would be a little easier by next year. But today Mr. Miller forecast inflation over the next 12 months of between 7 and 7.5 per cent and real economic growth between 3 and 3.5 per cent.

Merrill Lynch, which this column reported last week that the Chairman of the Federal Reserve Board upon whose every word many hang, appeared optimistic on the subject before this week by reaffirming its expectation of a substantial stock market decline later this year. The company's investment strategists argued that the market is in the midst of a secondary rally at the moment which will give way to a recession next year. He hoped that interest rates would be rising interest rates and a

consensus among securities analysts that 1978 corporate earnings will show a "major deterioration." Thus portfolio managers are being advised to prepare to buy into the expected weaker market late in this quarter or early in the fourth quarter. Next year, says Merrill Lynch, stocks will be the investment vehicle of choice, marking the end of the long-term bear market which the brokerage firm's analysts

FINANCE AND THE FAMILY

Transfer of chattels

BY OUR LEGAL STAFF

Does the exemption of up to £2,000 a year of transfers free of capital transfer tax, apply to cash or gifts to kind? If so can I transfer chattels to my children free of tax?

Capital transfer tax applies to anything which reduces the value of the donor's estate. We see no reason why you should not transfer valuable chattels free of tax, but you will have to make sure that the goods are "delivered" and in that case it is advisable to transfer by means of a deed. You will have to look into the insurance position, following the transfer.

Tax on transfer of a farm

My aunt owns a farm, which she wishes to give to my brother and myself. What please is the position with regard to capital transfer and capital gains tax?

There would appear to be a liability to both taxes. Capital transfer tax is based on the loss to the transferor's estate and on calculating this loss no account is taken of any capital gains tax payable and borne by him. Where the capital gains tax is borne by the transferee the value transferred is reduced by that tax.

Damage done by ivy

My neighbour alleges that ivy growing from my side is damaging his wall, though according to something I read by your contributor, Mr. Hellyer, ivy does not damage buildings. What do you

think? If damage is caused, am I liable for what occurred before my neighbour took over the property, or before I bought my house some eight years ago?

We cannot say whether or not the ivy is damaging the wall. But, if it is, you would be liable for the damage even though the neighbour only recently purchased and even though the ivy was planted long ago. The damage arises from the tort of nuisance and it is not defence to say that the plaintiff came when the nuisance already existed. You would not be responsible for damage which could be proved to be more than six years old, but the continuous growth of a plant makes this extremely difficult to prove.

Limits to right of way

A farmer neighbour, who has a right of way across my land for all purposes, intends to develop a garden centre, to which the only access from the public

highway will be over this right of way. Can we stop this change of use?

You do not state what the former use of your neighbour's land was. If it was not used for the purpose of a business skin to that proposed, your neighbour will need to show an express grant in very wide terms indeed and even though the ivy was planted long ago. The damage arises from the tort of nuisance and it is not defence to say that the plaintiff came when the nuisance already existed. You would not be responsible for damage which could be proved to be more than six years old, but the continuous growth of a plant makes this extremely difficult to prove.

Using a party wall

My neighbour informs me that a loft conversion he has commissioned will entail using the party-wall which divides our houses to assist the support of a steel joist and that I, at my own expense, should appoint a surveyor in order to satisfy myself that the work is competently carried out.

Am I, in any way, responsible for the satisfactory performance of the work? What would be my

remedy if damage is caused to my property either during or subsequent to construction?

If you are outside the old Metropolitan London area, you are not obliged to take any part in the matter and the neighbour must himself assume the risk of any damage to your property. Moreover, he cannot insert a joist into your half of the party wall without your consent. In Inner London, the London Building Act (Amendment) Act 1939 applies to give a right to the neighbour to use the party wall, but he may have to pay your surveyor's costs if a Party Wall Award is directed (as it normally would).

A change of airport

I have discovered that the roof of the block of flats built in 1965 into which I moved in 1976, is seriously defective.

Have I any redress against the seller? If I sell, am I obliged to tell the purchaser? Have I or the freeholder any

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

redress against the builder or architect?

If (as seems to be the case) you did not purchase from the builder or from the building owner, you have no redress against the seller. If the defective roof is not within your demise you have no obligation in law to inform a purchaser. The freeholder might have some claim against the designer/builder, but it is likely that such a claim is statute barred. You have no such claim if your vendor was merely a lessor.

A defective roof

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Earnings and a covenant

My daughter, who is attending a four year degree course at an English university is required to spend a third year working in France, during which she receives no maintenance grant. I have

covenanted part of my maintenance contribution to her. Can you advise me as to her tax position, and how far her ability to reclaim tax under the covenant can be affected?

You will find general guidance in a free booklet, IR25 (1977), on the taxation of foreign earnings, which is obtainable from most tax inspectors' offices. Your daughter's tax position in the UK and in France may be affected by the France-UK double taxation convention of May 22, 1968, (as amended in 1973), particularly articles 20 and 21. Article 20 was quoted in a reply to a somewhat similar inquiry published in the *Finance and the Family* column

on March 11, under the heading "Daughter's earnings" but if you missed that, you will find a copy of the convention (as amended) in a reference library in, for example, volume F of Simon's *Taxes* or volume 5 of the *British Tax Encyclopedia*: no doubt the University library has at least one of these loose-leaf works.

If you are still uncertain of the position after reading booklet IR25, you may care to come back to us, with more details.

It is of course necessary to examine the terms of your contract, which may have reserved the right to change the point of departure of your flight. However, if there is no express provision to that effect, the advertisement would constitute a representation that departure flights would not be altered and could thus enable you to claim for the cost of travel to Luton (less, probably, the cost of your travel to Manchester). However we doubt if damages for loss of time could be recovered.

Develops they change in a responsive way. Thus, the "deferred repairs" prohibition has, so far as traders are concerned, been largely removed by the Courts in the more recent *Odette* *Theatres* case.

But the ghostship *Duns Law* still sits around Schedule A. And it is not the only ghost. The tax charge in its original form applied whether or not rent was received. This distinction between repairs which are repairs, and those which are something more, was accepted by the Courts in 1923 when they decided that the Law Shipping Company should not deduct the costs involved in bringing the ss *Duns Law* to a state of seaworthiness acceptable to Lloyds, after the years in which regular surveys had had to be postponed because of the let property.

From that rental income may be deducted the costs of repairing, insuring and managing the property, to the extent that those costs fall on the landlord, and there may also be deducted any rent which the lessor himself has to pay and amount of

Schedule A now taxes rents from land and buildings. It sweeps in at least some part of any premiums on the grant of leases (for periods up to 50 years), and also deems the landlord to have received something equivalent to a premium if his tenant is required under the lease to carry out works on the let property.

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YOUR SAVINGS AND INVESTMENTS



In hazard

HE FLIES through the air with the greatest of ease." But however much we admire the daredevil antics of the trapeze artist when we take our children to the circus, the life assurance companies may well take a different view when he applies for life assurance. In all probability they will say that, no matter how experienced he is, his job carries an extra mortality risk, and charge him extra on a life assurance contract. That might be an extra £2 per £1,000 assured—or the guaranteed minimum death cover.

North Sea oil development is likely to do wonders for the UK economy. But the men who make that development possible are not viewed favourably by the life companies. They are being charged very heavy extra premiums on life assurance contracts, varying from £3 per

ASSURANCE

ERIC SHORT

£1,000 assured for supervisors, in over £10 extra per £1,000 assured for divers.

The charge made by life company actuaries for death cover is based on normal mortality rates. It is the task of the underwriter to make the appropriate loading to the premium rates, in cases where he thinks the mortality risk is well above average. Certain occupations are considered to carry an extra risk, notably those in which the individual climbs off the ground or disappears underneath it. Individuals such as steeplejacks, tree fellers and surgeons, and demolition workers come into the first category, and miners into the second.

But many life assurance contracts these days are taken out for savings purposes only. The death cover is simply provided to ensure that the policy qualifies for tax relief. Nevertheless, someone in a hazardous occupation will get a lower return for his outlay than those of us who are reasonably fit and keep our feet firmly on the ground. The table shows the effect on the ultimate return from a with-profit endowment policy issued by a leading life assurance company, in people in two hazardous occupations—a face worker in a coal mine, whose additional premium at the time of taking out the contract, but not if you take handling explosives) is small, is the sport up subsequent to the start, and a North Sea diver, whose rating is severe, rating would be removed if there is a definite penalty for you later decided on a more such people when they use life assurance as a way of saving, as golf.

Estimated benefits on a with-profit contract for a man aged 29. Monthly premium £20.

| | Period 10 years | Sum assured | Estimated maturity value | Reduction |
|-----------------------|-----------------|-------------|--------------------------|-----------|
| Normal occupation | 2,164 | 3,753 | | |
| Miner on coalface (a) | 2,125 | 3,495 | 1.8 | |
| North Sea diver (b) | 1,981 | 3,435 | 8.5 | |
| Period 25 years | | | | |
| Normal occupation | 5,720 | 17,422 | | |
| Miner on coalface (a) | 5,462 | 16,608 | 4.7 | |
| North Sea diver | 4,603 | 13,995 | 19.7 | |

Figures supplied by Equitable Life based on current bonus rates.
(a) Extra premium for occupation at the rate of £2 per £1,000 sum assured.
(b) Extra premium for occupation at the rate of £10 per £1,000 sum assured.

Standard Life opts out

MUTUAL LIFE assurance companies belong to and are run for the benefit of the with-profit policyholders. At least, that is the theory behind the mutual concept. In practice, it means that the boards are self-perpetuating and can operate with a freedom from scrutiny that proprietary companies could never hope for from their shareholders. But the evidence—high bonus declarations—suggests that by and large this freedom is not abused, that the activities of the company are conducive to the benefit of its policyholders. This week, however, we saw exceptional evidence of responsibility from the Board of Standard Life, the largest mutual life company in the EEC.

Standard Life has decided that, although its Canadian business has been flourishing, there was a distinct risk that business operations in that country could become much more onerous and therefore much more expensive. It foresaw a possibility that Canadian business might have

Worldly wisdom for the factotum

RATHER LIKE the barber of Seville, insurance brokers are turning out to be—in the financial sphere at any rate—all things to all men. And it's not difficult to see why. They are far more accessible than the average stockbroker; far less intimidating than the average solicitor or accountant. There's no need to fear, in visiting an insurance broker, that you will be shown the door because you have less than £5,000 to your name; there's no need to fear either, that the bills will affect the housekeeping for months to come. Small wonder that the average consumer, welcomed with open arms and secure in the knowledge that there won't be a hefty price to pay for this enthusiasm, neglects to ask himself the vital question: does this man know what he is doing?

In many cases that doesn't matter: the answer will be yes. But it is an unfortunate consequence of their accessibility that insurance brokers are occasionally asked to do things for which they have neither the training nor the experience. Notably they can be asked—and to an increasing extent they are being asked—to provide investment advice. Granted that it's only the horrors that float to the surface, the results can be disastrous.

Robin Boyle has seen some comfortable salary, and in no

INVESTMENT

ADRIENNE GLEESON

one of the very best performers for the whole of the preceding five years.

There are two reasons to fear the consequences when insurance brokers set out to give investment advice. The first is the more obvious and the less worrying: it is that it is both more convenient and more lucrative, for a broker to put his client into some form of bond than it is for him to sort out an alternative—a portfolio of unit trusts, for instance. And the fact that the investor might like Robin Boyle's client—be in his 40s, gainfully employed at a

need of the withdrawal facilities, is not necessarily going to weigh sufficiently heavy in the balance.

But with any reputable broker it will. He is, after all, likely to be on the "white list" of the Unit Trust Association, and therefore eligible for the marketing allowance which brings the commission on unit trusts to within half a per cent of that available, under the Life Offices Association's guidelines, from the life assurance companies. What is far more worrying, with such a broker, is that he is likely to approach the whole question of investment in a spirit of undue innocence.

This is not a problem to be solved by requiring that the broker who would give investment advice should have some form of academic expertise.

Investment is not an exact science, and attempts to capture its essence for examination purposes have proved a pretty dismal failure. As any stockbroker will tell you, the content of the examinations of the Stock Exchange itself are a long way short of day-to-day reality. Requiring a certain degree of experience is, however, a different matter.

Providing advice through one cycle of the Stock Exchange, from boom to bust, ought to be enough to cure anyone of

How the experts have performed

"INVEST in a managed fund and leave all decisions to the professionals." This was, and still is, the message given by life companies to investors seeking to use life bonds as investment vehicles. Their argument is that the companies are staffed by full-time investment experts who can decide on the best portfolio mix of equities, both UK and overseas, property, fixed-interest investment, and cash. But above all, they say, they will use their professional judgment to decide when to change the mix and by how much, so as to maximise the

BONDS

ERIC SHORT

ever, with a big fund; and some of the managed funds are about £200m. But one has the feeling that managers don't act more because they are scared of being late to get back into equities when the market takes off again, as many managers were in 1975.

The article also points out that, while a property holding is essential for any fund, it should not be too large. It is difficult to expand or trim such holdings quickly, and they have to be held for their long term prospects.

The tables in Money Management's article give very comprehensive details of fund composition and size, together with performance over the past three years. Details on the proportion of assets held in each sector are invaluable; but without wishing to be churlish, the exercise would have been more valuable

MANAGED FUNDS

PERFORMANCE

| Value of an investment of £1,000 made three years ago | Value |
|---|-------|
| Top funds | £ |
| Irish Life Managed | 1,775 |
| Norwich Union Managed | 1,673 |
| Royal Shield Managed | 1,508 |
| Vanbrugh Managed | 1,508 |
| Strode Managed | 1,489 |
| Other funds | |
| AMEV Managed | 1,141 |
| Trident Managed | 1,120 |
| Oaklife Managed | 1,076 |
| Canterbury Managed | 1,019 |
| Property, Equity and Life | 1,003 |

still, if the changes over the past year had been shown.

As to the conclusion: it is essential in choosing a fund, to ascertain the investment philosophy. This can be done by studying past performance and reading current circulars from the companies—which is in reality a job for the professional adviser. We show, above, the best and worst performers over the past three years. It is interesting to note that the best are from traditional life companies.

Vanbrugh is a member of the Prudential group, which have kept extremely quiet about their achievements.

* Money Management is obtainable by applying direct to Fundex Limited, Freeport, London EC4B 4QJ.

From persuasion to a scene in store

CAVEAT EMPTOR was for woefully ignorant of the duties they have towards their customers.

A common example of this is the shopkeeper who genuinely believes that complaints should be taken up with the manufacturer. This is not so. The ground for complaint is a contractual one particular to the course of a business (probably the most important type of transaction to the average consumer), this maxim holds less sway than it used to do, and the buyer has been given certain

CONSUMERS' RIGHTS

HELEN WHITFORD

basic rights. The most important of these are that the goods be of merchantable quality, be fit for the purpose for which they are intended, and correspond with their description—for example, that they be of the colour specified.

Goods are "of merchantable quality" if they are as fit for the purpose for which such goods are commonly bought, as is reasonable to expect in all the circumstances of the sale—having regard to the description, for example, and the price.

There are many ways of trying to enforce one's rights, from friendly persuasion to creating a scene in the shop, or threatening to write to newspapers or to the consumer programmes on radio or television. All have been known to work. Another tried and tested method in the case of large companies is to write to the managing director, explaining the difficulty. "Going to the top," like this, can often produce a *volte face* of spectacular quality from what was the most recalcitrant of shop managers.

This protection will not apply, however, where a defect has been brought to the buyer's attention or he has made an examination of the goods which should have revealed it.

Where the buyer makes known to the seller a particular purpose for which he wants the goods, there is an implied term that the goods will be fit for the purpose specified. This protection applies, too, where the purpose is obvious—for example, that shoes should be fit for walking. These rights cannot be modified by the seller in a consumer sale, and any exclusion clause purporting to modify them will be void.

Right without might is now the main problem facing the aggrieved purchaser. Although there will generally be no problem when confronting a reputable dealer with a genuine complaint, this unfortunately is not always the case. Some unscrupulous shopkeepers, knowing that the law is slow, expensive and rather frightening to the average customer, will not comply with their legal obligations because they can be relatively certain that they will not be enforced. And other shopkeepers are themselves often work wonders.

Each county court has an office where inquiries can be made, and the staff are experienced and helpful in assisting with the various formalities that have to be gone through, from issuing a summons to obtaining judgement. For a small fee (£2) the bailiff of the court will serve the summons or—if the defendant is a company—it can be sent by post. A summons in itself can often work wonders.

Advisors to expatriates

Beasts on the hoof, like those in the picture above, were at one point the principal form of wealth in the less-developed nations of the world. Nowadays—particularly in the Middle East, where this picture was taken—wealth is quite as likely to mean the ownership of a flat in London or of a fleet of Mercedes. For the expatriate working in this or other parts of the world, it's likely to mean a cash flow very much higher than that to which he (or she) has been accustomed.

But with that affluence will come perplexities, quite possibly dire problems, in respect of tax, of foreign exchange regulations, of housing, schooling, pension rights, investment, and assurance.

A young man with no dependents might be able to shelf the lot—though at the risk that the lot, compounded by time and inattention, would be waiting for him once he again set foot on British shores. Anyone else would be well advised to tackle them as they arise; and even better advised to tackle them for what—and how much it is likely to cost you.

With this in mind we have taken a look at the services offered, and the charges made, by a handful of institutions which serve the financial needs of the overseas resident. It should be stressed that these are not the only respectable companies in the field: all the big clearing banks, for example, claim to be able to serve the needs of expatriates through their trust departments. But this is a reasonably representative selection, which will give you an idea of who to go to for what—and how much it is likely to cost you.

TOWRY LAW, the big UK abroad, what the present and future remuneration of those people should be. However, the firm will also provide personal financial planning for the individual expatriate, either at his company's expense or in the expectation (though not the certainty) of making enough to cover the cost of the service from commission on the investment packages arranged.

Like Towry Law, Godwins doesn't pretend to provide more than basic straightforward investment advice; and if you are in dispute with the Revenue and need an accountant, or inmeshed in foreign exchange problems or short of a will, the firm will send you off to the relevant experts. "We pinpoint the areas you should look at," says Peter Wilson, the director in charge of personal financial services.

Ideally Godwin likes half an hour with the client before he goes abroad, but it can and will accept business at long distance. Expatriate Financial Advisors like rather more than half an hour with the client himself, they like, according to managing director Harry Brown, an interview with his wife as well. Not that Mr. Brown declines to provide the usual run of his services—advice on tax, foreign exchange, lease of a UK home, education of children, life assurance—to those clients who have not had an interview, but "I will not counsel on investment decisions for you. If you are a complete tyro, and want your hand held through manoeuvres more complex than the purchase (or sale) of offshore funds, you will have to look for advice elsewhere—and pay more for it."

Godwin's pensions and employee benefits consultancy arm of the former Leslie and Godwin, tends to tackle the problem of the expatriate from the other end—that is, through the employer. Godwin's sets out to establish, for any employer sending people but "I'm immensely conservative."

The charges are as follows: a flat £75 per annum to cover running costs, plus 1% of 1 per cent per annum on portfolios of up to £50,000 (less thereafter). In addition, of course, you would have to pay normal stockbroking commission and so forth. For the money you get a monthly valuation, a visit from a representative of the company two to four times a year—and, one hopes, performance.

Now that the Treasury is investigating the whole tax situation of married women, the LOA should remind it of this anomaly. It should not be overlooked.

ARTS

ENSA, then and now

Basil Dean's brain-child ENSA is getting the full treatment on Radio 4. Part one, which took us from the outbreak of war to the Battle of Britain, George Formby's tearful reminiscences from the bombing in Aldwych tube station, went out last Saturday, and you can hear part two at 1.15 pm today. Charlie Chester, who as principal comedian with the Joe Loss Band did hundreds of ENSA shows during those years, is the narrator. As well as excerpts from artists like Gracie Fields, Eileen Devane, Avril Angers, Harry Lauder, Arthur Riscoe singing to enthusiastic service audiences, the programme, written by John Laird and researched by Stephen Williams, contained live interviews with many troopers whose genius for total recall has remained unimpaired throughout the intervening years. The boozey, blessem-all, keep-your-punker-up mood was recreated with that nostalgic sharpness peculiar to radio.

ENSA was a huge operation involving, it is estimated, 240 shows to audiences of 500,000;

RADIO

ANTHONY CURTIS

now that all the wincecracks about Every Night Something Awful have receded, its importance as a sustainer of morale and balancer of social attitudes may be gauged. Riscoe's ditty pleading for the preservation of his butter ration caught the temper of the time and has become curiously topical again vis-a-vis Brussels.

Everybody pinches my butter. They won't leave by butter alone. And nothing is better than butter.

For keeping the old man at home. Please leave my butter alone-o-o-o-o!

Although everyone who was anyone performed for ENSA, most of the artists were not star names; they were old pros recruited from the ranks of the pre-war pier-end concert parties which had not fortunately been disbanded when war broke out.

In September 1939 as Rex Newman, ENSA's director of light entertainment, explained, they were immediately pressed into service to entertain the troops, and after Dunkirk gave innumerable shows in factories and works canteens as the ENSA spirit permeated the entire war effort.

Ernie Bevin as Minister of

Labour was quick to see the point of restorative concerts for munitions workers in the junks of the war. The show lasted for 20 minutes. It began considerably enough with a song in which the company took part; then the comedian, putting on a derby to show he was a funny man, did his piece, the younger of the two women played the concertina; then the older woman, raddled and painted, began to sing. She had little voice, and she had a cold, but she had immense vitality. The audience warmed up and soon she had them singing with her. In a minute it had seemed to be a concert and become a singalong." That, observed by Somerset Maugham on a visit to Woolwich Arsenal in 1940, was what ENSA was all about as this cheerful programme demonstrated.

I suppose it was an example, in practical entertainment terms, of the English spirit of solidarity which we heard so much about from a discordant string quartet of professors and politicians in A Most Peculiar Island (Radio 4, July 25). The performers here were Dr. A. H. Halsey, Ralf Dahrendorf, Enoch Powell and Tony Benn, under the occasional baton of Michael Charlton. The pretext for their discussion was some of the points raised by Dr. Halsey in his recent Reith Lectures. He had begun with some vibrant chords from the French, liberty, equality and fraternity and had taken a close look at social change in modern Britain against the background of these ideals. Powell asked what relevance these essentially Gallic concepts had here. "If you mean brotherhood, freedom and solidarity then I'm happy..." Then Benn proved to have a

grasp of the radical strand in English history going back to Runnymede that was impressive in its depth.

Soon the air was thick with names like Paine, Burke, Adam Smith and William Morris. It was left to Dahrendorf to suggest that the politicians were "obsessed by continuity" and to try unavailing to take the discussion out of a historical context and place it in a more analytic.

Anyone who expected clear-cut conclusions would have been disappointed but it was interesting to hear people given plenty of time to develop arguments, to listen to speakers, not having to suffer constant interruption. Perhaps the same format could be applied to other areas and disciplines. Especially in arts programmes.

Snatches of music by Jerome Kern, George Gershwin and Cole Porter interrupted the ramblings of another old pro in Performing Fleet, programme presented by Sam G. Webber, compiled by Sam Pollock (Radio 4, July 23); they were from the musicals he wrote in the 1920s with Guy Bolton. What a good idea to get Sir Michael Redgrave to read the words of the Master. He leaves the indignation to us and wisely does not insist for too long on any single aspect of the story. He shows us the intensity of the racial prejudice which Robeson had to overcome in his college career at Rutgers, New Jersey, where he was born and his accompanist, Lawrence Brown. The music is mainly background to a disillusion of the life rather than the art of Paul Robeson, a dialogue contrived by Phillip Hayes Dean, who has a number of other plays to his credit, for one longer-than-life character: the reply of O'Neill who cast him for a main part in *All God's Chilren Got Wings*, then to replace Charles Gilpin in *The Emperor Jones*. Jerome Kern and Showboat in the London production followed that. Robeson was on his way. He had begun to insist on his own terms.

Mr. Earl Jones has eyes which are adept at showing astonishment and he opens them very wide when he becomes a celebrity in London and is taken up by Lady Astor while making friends with two students called Kenyaatta and Nkrumah. But this is only a prelude to his mature political awakening in Soviet Russia, in Germany and in the Spanish Civil War. A

straight biographical course. The life of Robeson does in itself represent one of the archetypal dramas of modern times, the

rejection by an individual of the

society in which he succeeded in

gaining his acceptance only after an heroic struggle.

The first half of the show deals

with the struggle, the second

with the acceptance and the re-

THEATRES THIS WEEK

AND NEXT

QUESTORS, EALING—Faust.

Enterprising amateur production of the *Urfaust*, short but powerful version of Goethe's Part One.

Opened Monday.

CHICHESTER—Look After Lulu.

Unhappy 1959 re-write of Fey

day Noel Coward. Good

cast led by Geraldine McEwan,

Kenneth Haigh and Fenella

Fielding. Opened Tuesday.

HALF MOON—Tigers in the

Snow. Tedious new play about

women in a mental institution,

spiritually performed but not

worth the effort. Opened

Wednesday.

OPEN SPACE—Boo Hoo. New

play by American Philip Mag

dalany, directed by Charles

Marowitz and starring Janet

Suzman, Estelle Kohler and

Anthony Curtis.

SCOTLAND—12.00 News and

Weather for Scotland.

NORTHERN IRELAND—5.55-6.00 pm

Northern Ireland News and Sport.

12.00 News and Weather for

Northern Ireland.

BBC 2

7.40-8.30 am Open University

(Ultra High Frequency only). 8.00

Radio 1. 9.15 Scooby Doo. 9.35

Why Don't You... 10.00 Rock

face. 10.25 Charlie Chaplin in

the Fireman. 10.55 Laurel

and Hardy in "The Chimp." 11.25

Wuthering Heights. 12.00 Cricket: First

Test—The Cornhill Invincibles v Series

England v New Zealand.

1.30 pm Grandstand: Racing from

Goodwood. 2.15. 2.45.

3.15: Cycling (1.50, 3.30) The

Centenary and Newark

Track Meeting including the

Post Office Mile of the

Century handicap; Cricket: First

Test (2.25, 3.00, 3.30) England

New Zealand. 5.10 Final

Score including racing results

and cricket scorecard.

5.20 EBA's Broadcasting Com

pany (BBC 1).

5.45 News.

5.55 Sport: Regional News.

6.00 Wonder Woman.

6.45 Saturday Night at the

Movies: "The Wild North"

starring Stewart Granger

and Cyd Charisse.

8.20 Seaside Special from Tor

quay starring Rolf Harris.

9.10 Kojak.

10.00 Nuts.

10.10 Sailor.

10.40 The Expert.

11.30 Stuart Burrows—sings bal

lads, songs, operetta and

grand opera.

All Regions as BBC 1 except at

the following: Wales. 8.50-9.15 am Hobby Horse. 12.00 News and Weather for

Wales.

12.00 News and Weather for

Scotland.

SCOTLAND—12.00 News and

Weather for Scotland.

NORTHERN IRELAND—5.55-6.00 pm

Northern Ireland News and Sport.

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England v New Zealand.

LEISURE

The Newcastle master

THOMAS BEWICK, in the opinion of Ruskin, was "without training . . . Holbein's equal." "I know no drawing so subtle as Bewick's since the sixteenth century, except Holbein's and Turner's."

No one perhaps would have been more surprised at praise like this than Bewick himself, the jobbing engraver of Newcastle, who passed almost his whole working life attending to trade orders in his little shop in St. Nicholas Churchyard, and for whom the great works of book illustration were almost a by-product. Yet it is hard to dispute Ruskin's high opinion in the face of Bewick's depictions of birds and animals; or the miniature vignettes in which he captured the life of his native Northumberland; or the minute narrative pictures which he punningly called "Tale-pieces."

Single-handed, Bewick revived the art of wood-engraving which had declined sadly since the days of Dürer and the fifteenth-century masters. The popularity of copper engraving had relegated wood-blocks to the crudest needs of popular printing. In over half a century of his creative career Bewick strove constantly to refine the technique and to devise methods of cutting and printing which would enlarge the gradations of tone possible to wood-block printing. The very last work on which he was engaged, in his 75th year, was a method to give still greater subtlety to the toning by overprinting several complementary prints on a single picture.

Bewick generally sketched only the broadest outlines on the block before commencing to engrave. The real creative work was done through his cutting tools, so that he transformed wood-cutting from a reproductive to an autographic process.

Thomas Bewick died 130 years ago, in November 1828; and to commemorate him the Laing Gallery in Newcastle has mounted the most comprehensive exhibition to date. A surprisingly large assembly for an artist who worked on so small a scale, it has been organised by Iain Bain, and designed by Robin Wade, who was responsible for such notable events as the Chinese and Turner exhibitions at the Royal Academy.



Detail of a portrait of Thomas Bewick by William Nicholson (1784-1844)

The coverage of Bewick's life and times ranges from useful comparative chronologies to a rather large tooth which he lost at the age of 74 and apostrophised in a humorous tribute to its fidelity; and there is a very comprehensive record of his work as an illustrator.

The special importance of the exhibition, however, is its stress on his work as a trade engraver in metal (there is even a re-

COLLECTING

JANET MARSH

construction of the workshop in St. Nicholas Yard); the revelation of Bewick's talent as a watercolourist; and a large section on the many apprentices — some of them first-class artists in their own right — who emerged from the Bewick workshop.

Bewick was born in Cherryburn, on the banks of the Tyne 12 miles west of Newcastle; and he spent the rest of his life in those parts. After his apprenticeship to Ralph Bebb, one of the family of great Newcastle craftsmen, he briefly tried his luck in London, but concluded, "I would rather be

herding sheep on Mickley bank top than remain in London, although for doing so I would be made premier of England. The work of the Tyneside and the rural life of Northumbria remained a life-long inspiration. His woodcuts record not only the pleasures and beauty of the rural scene, but also the wild cruelty of which the North is capable. There is a striking vignette in his *History of British Birds* depicting a starving sheep and lamb vainly nibbling at leafless bushes. His last work, *Waiting for death* is a haunting and terrible image of an old horse "turned out, unsheltered and unprotected, to starve of hunger and of cold on the bleak hill tops with only the shelter of dry stone walls."

For his great works *The General History of Quadrupeds* and *The History of British Birds* Bewick always liked to work from life, and hurried to the itinerant menageries that stopped in Newcastle. His power was his clarity and directness of vision. A Victorian critic, F. G. Stephens, compared his reverence and humility in the face of his subjects to that of the water-colourist William Hunt who was "frequently heard to say, 'I almost tremble when I sit down to paint a flower'." This drew from Bewick's daughter the cross riposte: "Thomas Bewick trembled none!"

Bewick's fame as a naturalist was already wide in his lifetime; and there is a touching account of his meeting with the great American naturalist J. J. Audubon the year before he died. The two very different men got on famously. "The old gentleman and I stuck to each other, he talking of my drawings and I of his woodcuts. Now and then he would take off his (cotton night-cap) and draw up his grey worsted stockings to his neck clothes; but whenever our conversation became animated, the replaced cap was left sticking to my head, the neglected hose resumed their downward tendency . . ."

In connection with the Bewick commemoration, Robert D. Steedman of Newcastle has published a special catalogue of books illustrated by, or about Bewick. Steedman, established over seventy years within a stone's throw of the site of Bewick's old workshop, is one of the best antiquarian bookshops in the country, and certainly in the north east.

You might not guess it at once, because the shop has an iceberg character. All you see when you walk in is a single room with a general stock of no special distinction except clean condition. Only an impressive case of local history books and maybe a dozen modest but choice antiquarian items on display hint what treasures may lurk behind the Cerberus-guarded oak gate to the further regions behind. It is only through catalogues like this, or their stands at privileged book fairs that you discover Steedman's class.

Catalogue no 131 (which costs £1.50 from 9 Gray Street, Newcastle, or from the Laing) is itself a contribution to Bewick literature. Extensively annotated, the 200 items are the result of several years' collecting, and include every edition of Bewick's *Quadrupeds*, *Birds* and *Aesop's Fables* published in his lifetime and under his supervision.

Steedman's catalogue includes one of the few imperial paper copies of the first edition of the first volume of *Birds*; Bewick himself was unable to find one for a friend in 1817. There is also one of the only three known copies of a special edition of 25 copies of the illustrations to the *Birds*, produced by Bewick in 1817 to show the best work that could be produced in wood cut. This is priced at £625; as collectors' books go, Bewick is still remarkably accessible; and the catalogue lists (or lists) at £400 another great rarity. *A New Lottery Book of Birds and Beasts, for Children to learn their Letters as soon as they can Speak*, a 24-page chapbook of 1771 which probably represents Bewick's earliest illustrations of natural history.

The only trouble, the majority of them would say, is that there is not half enough of it. The obvious reason for this is that golf is one of if not the most expensive sports to stage in terms of manpower and equipment in a live broadcast.

For instance, now that the

POTATO BLIGHT is one of those diseases that makes a fairly regular progression across Britain every summer. Starting in the west, usually some time in late June or early July, it sweeps swiftly eastwards so that the whole country is affected by the end of July. The reason for this is two-fold: first that the fungus which causes blight requires a fair amount of warmth and humidity to thrive, and these conditions usually occur earlier in the western than in the eastern counties, and secondly that spores, which spread the fungus, being mainly wind-distributed, are swept eastwards by the westerly and south-westerly winds which are so frequent a feature of our climate.

Potato blight can be a devastating disease. It attacks every part of the potato, leaves, stems and tubers: tomatoes are equally susceptible to it. The leaves usually show the first damp, black patches, which

if you do this you must be prepared to lift the whole bed a few weeks before the tubers

are full grown if blight strikes; better. Alternatives are maneb and zineb, the first usually marketed under its own name, the latter usually under a brand name, such as Dithane which is actually a mixture of maneb and zineb.

Not all fungicides will control potato blight. One that is excellent is also one of the oldest, Bordeaux Mixture, prepared from copper sulphate and lime. It used to be one of the

Late season troubles

GARDENING

ARTHUR HELLYER

cheapest and easiest to buy but lately I have had difficulty in finding it on sale, apparently because every company is busy promoting its own specialty. But if you can purchase Bordeaux Mixture, or for that matter, any copper-based fungicide, you need look for nothing

best to cut off and burn all the haulms immediately and lift the crop as quickly as it is convenient to do.

There is no such let-down with tomatoes, but fortunately those grown under glass are seldom attacked by blight though they have equally severe diseases of their own. It is the outdoor tomatoes that get blight and it can be just as devastating as it is on potatoes. Regular spraying every fortnight until late September is the only safeguard.

The best if you are determined to head for, say, the South of Spain or some of the better British resorts is to hope that your travel agent is quick enough to pick up someone else's cancellations. If money is not the problem you can always take a scheduled flight (cheap tickets are extremely hard to find this year) and pay full rate but even then do not set out on spec—it is a very busy year in most places.

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FINANCIAL TIMES

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Saturday July 29 1978

A touch of the sun

IT HAS BEEN a confusing week, and not only in Westminster. Almost around the world stock markets are trending towards their year's high. Yet at the same time the price of gold, which normally moves in the opposite direction, has been steadily advancing. In London the All-Share Index, which only reached a new 1978 high on Thursday, it also moved to pose was largely symbolic. While in the short term it has peaked, achieved as long as six years ago.

Stirrings

There may be special reasons for the London performance. The on-and-off-and-on-again dividend control saga seems in the end to have had a mildly beneficial effect. The market has taken the view that the idea that a company's pay-out ought to reflect its profitability has been accepted at least in principle, even if it is still going to be difficult fully to implement it. A similarly charitable view has been taken of incomes policy. For the moment the direction of investment—5 per cent, even if it has been rejected by the TUC. It will be at least some weeks before it is put to a serious test.

On firmer ground there is perhaps room for some optimism about interest rates. The next move seems likely to be downwards, and although it is harder to say when it will come, it is reasonable to assume that the Government would like to see some relaxation—perhaps by several stages—during the holiday period and the run-up to the general election.

There is, in any case, a widespread feeling that the holidays are almost upon us and that politics can be put briefly aside until the time comes for the election campaign proper to begin. Most of the Government's actions in the past few days have been of the tidying up variety, and there is in fact very little left for it to do. The Dock Labour Scheme was lost in the House of Commons on Monday without too much pain. On Tuesday Mr. Callaghan scored an unexpected debating triumph in the exchanges on the incomes policy White Paper—a setback from which the Parliamentary Conservative Party had still not quite recovered at the end of the week.

Tory odds

Nor is Mr. Callaghan himself entirely free of blame. The Dividend Bill was quite unnecessary. There is no evidence that the unions had been asking for it, nor had much interest in it.

The Government could have allowed the controls to lapse without difficulty, but chose not to do so. When the election comes, that readiness to lean over backwards not to upset left-wing prejudices should not be forgotten.

As for the Conservatives, it may have been a bad week, but they can still take comfort from the opinion polls and their performance over the years in the various by-elections. Going by recent odds the bookmakers at least seem to favour them, and there could be worse judges than that. In the end the result will probably depend on the campaign. As in the markets, there could be exciting times ahead.

Letters to the Editor

Olympics

From Lord Luke.

Sir—I note with interest that your two articles in the issue of July 22 on the subject of the Olympic Games in general and Los Angeles in particular, largely cancel each other out.

I cannot, however, let it pass without recording my concerns over the inaccuracies—let alone insults—concerning Lord Killanin.

Perhaps your correspondent, Mr. Maurice Irvine, would care to inform Mayor Bradley and other counsellors that in the opinion of the members of the International Olympic Committee, the International Sports Federations and the National Olympic Committees round the world, Lord Killanin is neither pompous, intolerant, nor authoritarian. He is—on behalf of the IOC—upholding the rules of an organisation which has lasted well for 80 years or more and proved most successful for every succeeding Olympic Games.

If I should dare to offer my advice to Mayor Bradley it would be that since a consortium of businessmen has offered to underwrite the Games in Los Angeles it might be that Mayor Bradley would accept the IOC's contract with the backing of the businessmen—he could surely satisfy the taxpayers in that way.

Luke,
Old Castle, Oldell,
Bedfordshire

Headlamps

From Major A. Sutton.

Sir—I would not wish to prolong the subject of headlamps but your correspondents Mr. D. Haze and Mr. P. Jackson (July 24) refer to me, without even knowing whether I drive a car, in such terms as to make it necessary to enlighten them in their absolute misinterpretation of my letter, and also of my own attitude to the subject in debate.

The point, which I hope to have made at least to yourself and other readers, is that we have here an MP, Mr. Johnson, Labour, Derby South, who by his own implied statement from your paper, is irritated and scared by the headlamp-flashing "when in the outside lane doing 70." He makes no mention of overtaking, but merely of being there. Had

THE NEXT FEW months are likely to see the liveliest period of broadcasting industry head-hunting in the UK since the setting up of commercial television in the mid-1950s. Publication of the Government's White Paper on Broadcasting has opened the floodgates to those who aspire to broadcasting power. If the present plans go ahead over the next five years, management, production people, and on-air talent are going to be needed for: a new television channel; new consortia to compete for the present Independent Broadcasting Authority franchises; at least 50 new local radio stations; and perhaps for a series of pay-TV experiments which may be set up. With the IBA's overlordship new extending down to the in-house radio stations of Britain's hospitals it is possible that even this modest field of activity will become an area for attention by the broadcasting ambitious.

On Wednesday came the joint TUC-Labour Party agreement *Into the Eighties*, a document which the Prime Minister must be glad to have out of the way with as little publicity as possible. And on Thursday there was the Dividend Bill. Since the Government made it clear in advance that it was determined to introduce it even if it could not guarantee safe passage, it must be assumed that the purpose was largely symbolic. While in the short term it has not knocked the market, the fact of its longer-term damaging impact on the economy remains.

On the surface, all that looks reasonably satisfactory from the Government's point of view. And yet it is a characteristic of Mr. Callaghan's administration that it usually has been quite calm on top; it is the stirrings beneath that are more disturbing. *Into the Eighties*, for example, cannot be simply brushed aside even if it is not, as the Prime Minister stressed, the Labour Party Manifesto. The threat to remove any remaining independence from the Bank of England, the emphasis on planning agreements and talk about the direction of investment—all these and a great deal more will remain on the record for Labour activists to refer to and will be at least some weeks before it is put to a serious test.

For the moment the direction of investment—5 per cent, even if it has been rejected by the TUC. It will be at least some weeks before it is put to a serious test.

On firmer ground there is perhaps room for some optimism about interest rates. The next move seems likely to be downwards, and although it is harder to say when it will come, it is reasonable to assume that the Government would like to see some relaxation—perhaps by several stages—during the holiday period and the run-up to the general election.

The two immediate areas of interest are local radio and the new ITV contracts. Neither of these fields need legislation and in the case of radio all that is required is a few words from the Home Office. By all accounts the reaction should be pretty rapid. The Independent Broadcasting Authority says that potential applicant groups are known to exist at varying degrees of readiness in some 70 or 80 areas throughout the UK. And the BBC already has its own list of 18 stations which it is eager to start work on soon—assuming it gets something like the £30 annual television licence which it is now seeking.

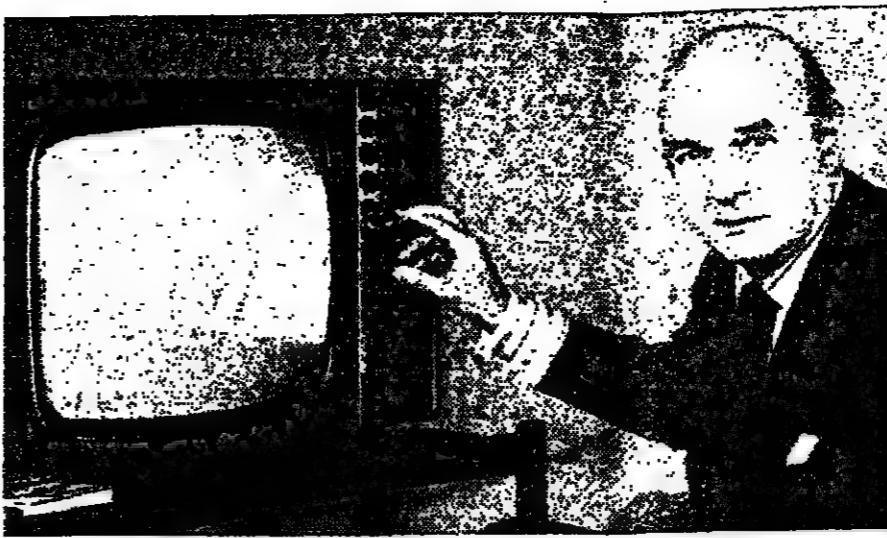
All that needs to be sorted out as far as radio is concerned is frequencies. We have come a long way since the BBC claimed there were not enough frequencies for Britain to have the sort of local radio network which is boasted by other countries. Now it seems there are enough to provide the UK with a radio system which is superior to that found anywhere else in the world—it is already if you are fortunate enough to be living in London, where there are two good commercial stations, a BBC local channel, and all four national BBC systems.

The White Paper gently slides away from the issue, tending to leave the impression that in 1981 we could have the same scramble as in the late 1960s, with the same potential for bloodletting.

The White Paper recalls that Annan recommended that television contracts should be rejected. (A rolling contract awarded for a fixed period of seven years and that the idea of rolling contracts should be rejected. (A rolling contract is one which has no fixed break point, but under which a contractor is under permanent notice of, say, two years.) The Government points out that "the advantages which are claimed for a system of rolling contracts over a system of fixed term contracts are that the former offer



Donald Baverstock: bidding for Tyne Tees.



Lord Annan: the contracts issue remains unresolved.

The BBC, the IBA and the greater security of tenure for a Home Office will now sit down a programme contractor and work out the frequency allocation. This process may not take anywhere near as long as to roll it for a shorter period than it would otherwise permit), the Authority has planning permission to erect greater leverage at more frequent intervals to require a programme company to improve the service it is providing.

"The disadvantage of a system of rolling contracts is that it is too favourable to the incumbent programme contractor; if the contractor's performance is not satisfactory it can be given, and the Authority will be under great pressure to give it, another chance. Moreover the system could inhibit the Authority from making such changes as it considered desirable to the franchise areas."

It is for this reason that the BBC, the IBA and the greater security of tenure for a Home Office will now sit down a programme contractor and work out the frequency allocation. This process may not take anywhere near as long as to roll it for a shorter period than it would otherwise permit), the Authority has planning permission to erect greater leverage at more frequent intervals to require a programme company to improve the service it is providing.

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attention is that of head of the OBA channel (or if the Tories win the next election, ITV-2). This appointment cannot be far away, since the establishment of the channel will take three or four years from go-ahead and someone will have to steer the organisation in this period.

To those not eager to become involved directly in consortia the whole business of the OBA has opened up interesting prospects. The Authority will not itself be a producer of programmes. "The OBA will have a special obligation to seek programmes from a wide variety of sources and to provide programmes which cater for minority tastes and interests," says the White Paper.

There are those who have not been slow to notice that this means anyone is free to make contributions. The OBA will be in the market for programmes of all types, and thus someone who comes up with a good series on, say, fishing, or investment in Chinese porcelain, wants to make a drama series or has a bright notion for a documentary, is likely to get a welcome. This may not only appeal to impecunious independents. In the U.S. the Public Broadcasting System has been of particular interest to major companies making sponsored films. The sponsorship, which is allowed under the White Paper rules for the OBA, can still produce quality television.

Probably the most sought after man at the moment in all the lobbying which is going on is Mr. Jeremy Isaacs, currently programme controller at Thames Television—Britain's biggest and arguably most successful commercial television company. Isaacs recently resigned from this post.

The Tyne Tees bidders are the ones which would show their hands most strongly at the moment. In this case some well-known names are involved, notably Donald Baverstock, ex-BBC and ex-Yorkshire TV; and Tom Margerison, himself ex-LWT. The Tyne Tees area is a peculiar television situation. It was in 1971 that Yorkshire took Tyne Tees under its umbrella in a deal approved by the IBA, partly thanks to a row which was going on over a transmitter in the southern Yorkshire area which threatened to lose YTV some territory.

Several Newcastle dignitaries have signed themselves up as backers of the Baverstock-Margerison bid, and money has been promised from local brewing and other interests. The consortium was cheeky enough to bid recently for the Tyne area contract from the summer of this year.

It would be naive to think that this was the only consortium on the go at the moment; there are several others which have yet to declare themselves. The contract business is an extremely sensitive one. Normally a prospective bidder tries to sign up senior television people from both commercial companies and the BBC in order to impress the IBA with his array of talent. Clearly no senior BBC producer would be those which will be offered to him in his new role.

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COMPANY NEWS + COMMENT

Midland Bank falls to £87.5m at midway

PROFITS before tax of the Midland Bank show a downturn to £87.5m in the first six months of 1978, compared with £102.42m in the same period last year and with the £90.41m achieved in the second half of 1977.

The directors explain the profit fall, compared with the first half last year, largely attributable to the lower level of UK interest rates and margins, and to rising costs. However, the business of the group continues to grow steadily.

Basic earnings per £1 share are given at 4.3p against 4.2p and 4.6p last year. The interim dividend is 1.75p, down from 1.75p to 6.5p—last year's total was 14.75p.

Basic earnings per share have been calculated on the profit after tax and minorities, and the weighted average number of shares in issue during the period, adjusted for the bonus element in the January rights issue.

The directors' comments are on the assumption that all the 7.7 per cent convertible subordinated unsecured loan stock 1983-83 in issue at June 30, 1978 will be converted.

| First half | 1978 | 1977 |
|---------------------|--------|--------|
| Trading profit | £1,398 | £1,745 |
| Share of associates | 17,013 | 14,967 |
| Profit before tax | 10,564 | 12,015 |
| Tax | 4,750 | 4,716 |
| Associates tax | 5,198 | 5,727 |
| Profit after tax | 5,060 | 5,570 |
| Minorities | 1,017 | 1,239 |
| Retained | 37,723 | 43,775 |
| Dividend | 10,581 | 5,745 |
| Retained | 28,361 | 38,025 |

See Lex

DARTMOUTH—91.3% ACCEPT

Dartmouth Investments announces that acceptances have been received in respect of 2,024,130 (81.31 per cent) of the 2,524,100 new ordinary shares offered by way of rights to share holders.

The balance of 500,000 has been sold in the market at a price of 18.5p per share and the net amount per share payable to qualifying shareholders is 3.87p.

Hardy £5.4m loss on trading

AFTER first half losses of £1.16m against £340,000, Hardy and Sons (Furnishers) Analysts say the year to April 1, 1978 with a deficit before tax of £780,000 compared with £113,000 profit in the previous year. Loss from operations totalled £5.4m against a reduced turnover—down from £61.8m to £34.6m—result from a temporary restriction of credit trading, now removed, and to the closure of 21 poor performing branches, the directors explain. Earnings have been further affected by the introduction of a repairs equalisation scheme.

A profitable result was not expected for 1977-78, but the Board now feel confident of a return to profit in the current year.

Reorganisation of management and capital structure is virtually complete and sales in the first quarter are substantially ahead of the same period last year. Costs are rigidly controlled and margins have improved, the directors say.

In addition the cash position has improved from £4.1m over draft to £1.8m cash in hand.

Loss per share for 1977-78 is given as 1.2p (0.2p earnings). An unchanged single final dividend of 0.2p is recommended—interim payments were passed in both years.

Year

1977-78 1976-77

£'000

| Turnover | £54,600 | £61,800 |
|---------------------------|---------|---------|
| Operations loss | £1.16 | £1.13 |
| Credit provision | 3,758 | 1,960 |
| Property disposals profit | 578 | 112 |
| Dividends paid | 704 | 704 |
| Tax credit | 704 | 704 |
| Minorities | 12 | 12 |
| Preference dividend | 2 | 2 |
| Ordinary dividend | 0.2 | 0.2 |
| Ordinary dividend | 0.2 | 0.2 |
| Forward | 5,943 | 6,223 |

Profit after tax for deferred profit and unused credits £1.16m.

Turnover of £34.6m is a subsidiary, Phillips Furnishing Stores, was down from £4.33m to £3.87m for 1977-78 and the pre-tax loss was £231,000 against an £81,000 deficit previously.

Loss per share is shown as 1.2p (0.2p) and no dividend is being paid on the ordinary and "A" ordinary shares.

Year

1977-78 1976-77

£'000

| Turnover | £34,600 | £61,800 |
|----------|---------|---------|
|----------|---------|---------|

Operations loss

£1.16

Credit provision

3,758

Property disposals profit

578

Dividends paid

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Tax credit

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Minorities

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The entire Thomson Organisation, including the whole of its North Sea oil interests and the Times and Sunday Times newspapers, is to become a wholly-owned subsidiary of International Thomson Organisation, a Canadian holding company. Thomson's shares were suspended eight days ago pending a scheme of arrangement involving its option to take up 90 per cent of the Thomson family's North Sea oil interests. The company has subsequently issued a 50-page document outlining a most complex deal.

Petford has finally accepted the inevitability of Bovbournes's controlling stake in W. Henshall and Sons (Addlestone) and has dropped its higher counterbid.

Comben Group is offering £10m to acquire Orme Developments and thereby become the UK's second biggest housebuilder after Barratt Developments. The bid comes only three days after Mr. Bob Tanner and Mr. Peter Whithfield sold 22 per cent of Orme to Saint Piran. Last week Comben offered to buy the Fanner/Wilfitt stake, but its terms, the same as now offered, were not accepted. The offer comprises 162p in cash and five Comben shares for every six Orme shares.

Cargill, the U.S. group, is continuing its fight to gain control of J. B. Eastwood despite the higher offer from Imperial Group, announced earlier this month. Cargill has reaffirmed its interest in acquiring the eggs and poultry group, but has deferred a decision on its offer until the question of a Monopolies Commission probe has been resolved.

Bid talks for Britain's second largest property group have broken down. At a Board meeting on Tuesday the English Property directors finally abandoned the two-month long takeover negotiations.

Bids, however, may well be in the offing for Bourne and Hollingsworth and Peacock of Birmingham following company statements.

Brooke Bond Liebig has launched a £20m cash take-over bid for Bushells Investments, the leading Australian tea processors and distributors. In a major move to reduce its dependence on African and Asian earnings, Brooke Bond's offer of 336p a share will go ahead provided the group gets the necessary backing of the UK and Australian government departments.

At an estimated cost of some £25m to £30m, Ultramar, the London-based oil group, is negotiating the purchase of the Shell subsidiary Canadian Fuel Marketers, while British-Norman, the aircraft manufacturer, has accepted an offer from the Swiss-based Pilatus Flugzeugwerke.

PRELIMINARY RESULTS

INTERIM STATEMENTS

| Company | Year to | Pre-tax profit (£'000) | Earnings* per share (p) | Dividends* per share (p) |
|--------------------|---------|---------------------------|----------------------------|-----------------------------|
| AAH | Mar. 31 | 6,301 | 14.0 | 8.143 (5.5) |
| Alexander Walker | Mar. 31 | 2,382 | 1.58 | 0.935 (4.25) |
| Anglo-Dutch | Mar. 31 | 1,000 | 1.00 | 0.500 (4.25) |
| Cawoods Hldgs. | Mar. 31 | 7,757 | 7.011 | 15.2 (3.4) |
| Centreflow | Mar. 31 | 1,030 | 0.93 | 0.511 (3.41) |
| Davy Int'l. | Mar. 31 | 23,394 | 18.782 | 34.5 (10.85) |
| Denbyshire Eng. | Apr. 1 | 802 | 2.39 | 0.513 (5.41) |
| Devonport | Mar. 29 | 6,000 | 6.00 | 4.00 (4.00) |
| Grail Shipping | Apr. 29 | 1,491 | 1.50 | 0.50 (1.49) |
| Hillards | Apr. 29 | 2,311 | 2.309 | 38.5 (36.1) |
| Howard Teneus | Mar. 31 | 1,020 | 1.02 | 1.002 (1.02) |
| Inchcape (Harold) | Mar. 31 | 22,274 | 17.831 | 40.7 (12.70) |
| Jeville (J.) | Mar. 31 | 519 | 0.61 | 0.500 (5.43) |
| Laurence Scott | Mar. 31 | 2,400 | 2.760 | 19.6 (5.17) |
| Lynx Hldgs. | Mar. 25 | 1,238 | 1.063 | 6.4 (2.56) |
| Macarthy's | Apr. 26 | 3,188 | 2.850 | 28.1 (30.4) |
| Neepack | Mar. 31 | 1,049 | 1.057 | 3.1 (3.24) |
| Neepack Hldgs. | Mar. 31 | 1,049 | 1.057 | 3.1 (3.24) |
| Pulman | Mar. 31 | 1,130 | 1.13 | 1.000 (1.00) |
| Redland | Mar. 25 | 29,440 | 24,160 | 18.7 (11.6) |
| Rosgill Hldgs. | May 27 | 315 | 1.09 | 1.000 (1.00) |
| RTD Group | Feb. 28 | 327 | 1.01 | 0.500 (1.00) |
| Siebe Gorman | Apr. 1 | 4,468 | 4,053 | 28.1 (5.84) |
| Spencer | Mar. 30 | 1,000 | 1.00 | 0.500 (5.00) |
| Ward & Goldstone | Mar. 31 | 3,297 | 1.400 | 11.8 (14.2) |
| Wheeler's Restnts. | Mar. 31 | 638 | 2.30 | 1.00 (1.00) |

** At peace unless otherwise indicated.

† Prices to peace unless otherwise indicated.

‡ Price per market before bid (£'000) = £'000 bid (£'000) = £'000.

§ Acc'tee date.

||| Combined market capitalisation.

** Date on which the offer is expected to become operative.

†† Based on 27/7/78.

‡‡ At suspension.

||| Estimated.

§§ Shares and cash.

||| Based on 27/7/78.

** All cash offer.

† Cash alternative.

‡ Partial bid.

§ For capital not already held.

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WORLD STOCK MARKETS

Dow 5.7 higher in heavy trade

INVESTMENT DOLLAR PREMIUM

\$2.60 to £1.925=75% (99.1%).

Effective \$1.925=75% (46.1%).

AFTER STARTING on an easier note yesterday, Wall Street resumed its upward path in another heavy trade, with Glamour and Blue Chip issues continuing to lead the way.

The Dow Jones Industrial Average improved 5.72 more to \$56.28, making a rise on the week of \$2.87. The NYSE All Common Index finished 25 cents higher at \$16.18 for week's advance of \$1.27, while gains outpaced declines by 960 to 637. Turnover, at 33.97m. shares, was actually equalled Thursday's 33.96m.

Traders said the buying was in line with the Federal Reserve report after the Stock Market close on Thursday of an unexpected sharp decline in the U.S. money supply, which adds to indications that interest rates may be peaking.

The market, however, early yesterday, in the Labour Department report that the Consumer Price Index in June rose at an adjusted 10.9 per cent annual rate, the same as in the previous month. The White House called the CPI report "extremely disappointing" and Federal Reserve

Board Chairman Miller termed the increase "disturbing."

Analysts added that recent stock market gains had been aided by a generally improved flow of second-quarter earnings statements. Press reports revealed yesterday that a survey of business sales was 10.4 per cent rise in second-quarter earnings.

The dollar fell to new lows yesterday against the Swiss franc and the Japanese yen, in part because of the CPI sharp rise.

Among Glamour and Blue Chip stocks IBM advanced 23 to 160.11, while the year of \$27.81, while the Dow Jones rose to \$118.60, Honeywell 1 to 866.0, Evans to \$46.00, Texas Instruments 11 to 88.7, Xerox 3 to 85.0, and active John-Elonville 3 to \$20.0.

National Airlines moved ahead \$1.10 before trading was halted — Texas International Airlines said it has asked for Civil Aerobatics' approval to take control of National.

THE AMERICAN SE Market Value Index rose 0.57 further to 154.15 for a gain on the week of 2.31. Volume was 4.01m. shares (3.98m.).

CANADA — Most sectors made further headway in a very active business. The Toronto Composite Index put on 2.2 to 1,189.5, while Golds advanced 8.2 to 1,396.0. Among Motors, BMW advanced

1.08 to 150.11. Banks, however, came back 1.03 to 285.13.

PARIS — Stock prices continued to move ahead, led by the Bourse Industrial, up 1.2, higher at a new peak for the year of 75.7.

Brokers commented that the market has recently become increasingly more confident of Prime Minister Raymond Barre's ability to restore confidence in the French economy, noting that this is reflected in the strength of the franc on foreign exchange markets. They said Friday's good stock market performance partly reflected the second consecutive lowering of the call money rate by 1.01 to 10.01 per cent — its lowest level in 30 months.

GERMANY — Shares were easier inclined yesterday, but dealers said option prices in the market reflected a high and lower level due to technical factors following sharp gains over the past two weeks. The Commerzbank index came back 35 from the year's peak attained on Thursday to close at 816.4.

Stores, however, which have been particularly strong of late, rose afresh, with Karstadt adding 2.50 to 115.00, while the Hanz Sems index was still 3.84 up on the day at 581.86.

HONG KONG — After a two-day closure due to a tropical storm, the market started higher yesterday on mainly local demand, but eased near the close on profit taking to finish on a rather mixed note. However, the Hanz Sems index was still 3.84 up on the day at 581.86.

TOKYO — Market displayed an upward bias, helped by renewed buying interest in some export-oriented stocks. Volume came to 2,000m. shares (2,07m.). Electricals and Motors gained group with investors welcoming the Bank of Japan's massive intervention to support the dollar in Tokyo. TDK Electronics rose Yen 2,850, Matsushita Electric Yen 2,730 and Toyota Motor Yen 2,730.

Platinum shares also advanced, recording gains of up to 12 cents in response to the upward trend in world prices for the commodity.

Dai-ichi

4.30 more, but Daimler Benz receded DM 1.50.

JOHANNESBURG

Golds

closed

the

week

on a strong note, reflecting record Bullion levels. Trading was fairly active throughout the day, with interest bolstered by Overseas demand.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Japanese shipbuilding bankruptcy

BY ROBERT WOOD

USUKI IRON WORKS, a medium-sized Japanese shipbuilder and a 55 per cent-owned subsidiary of the giant Ishikawa-Jima-Harima Heavy Industries (IHI), went into bankruptcy reorganisation today (10.15.15.000). It was the second biggest Japanese shipbuilding bankruptcy to date following the Y43bn failure of Hashibama last December.

The bankruptcy came three months after a left-wing union at the larger of Usuki's two shipbuilding works rejected a "reconstruction plan" calling for the closing of the works and the transfer of its workers to another site that has traditionally been organised by a more conservative union.

The management formally withdrew that plan and the unions were said to be co-operating on a new plan to keep both open. But an official of the more conservative union the Japan Confederation of Shipbuilding and Engineering Wor-

kers said today he had received a full explanation of the bankruptcy reorganisation application.

Meanwhile, an official of the left-wing All-Japan Shipbuilding and Machinery Workers' Union said his members first heard about the application in company gossip more than an hour after the plan was filed in court.

Tadayoshi Hisatomi, assistant general secretary of the Shipbuilding Workers' Confederation, said the confederation would now be willing to co-operate if the company wants to reorganise the company involving closing of the company's Saegi works. The Saegi works is dominated by the Shipbuilding and Machinery Workers' Union.

Throughout Japan, the Shipbuilding Workers' Confederation is 20 times as large as the Shipbuilding and Machinery Workers' union. It represents the workers in the largest shipbuilders, while its counterpart represents workers mainly at smaller shipbuilders, who generally receive

lower pay than workers at big companies.

However, 60 per cent of all Japanese shipbuilding workers are unorganised, mainly in smaller shipbuilders and subcontractors.

The larger shipbuilding industry is often accused of neglecting the workers. The left-wing union has had little success in organising them or improving conditions in the shops it has organised.

Usuki Iron Works is the 13th of Japan's 63 builders of ocean-going vessels to enter bankruptcy reorganisation since the beginning of 1977. In spite of its name 95 per cent of Usuki's business is shipbuilding, making it extremely vulnerable to the world recession.

But Oita Bank, a small regional bank in the island of Kyushu where Usuki is located, found the encouraging Usuki to expand its machinery production, concentrating on water treatment machinery to be built with idle shipbuilding equipment at both sites. The total work-force of the company had been 1,308.

But Oita Bank, a small regional bank in the island of Kyushu where Usuki is located, found the new reconstruction plan adequate. Both the bank and the parent company refused to lend any more money. Thus the company had to declare bankruptcy. It was expected that both the bank and the parent company would eventually cooperate in a more severe reconstruction plan.

The Saegi works built ships of the 10,000- to 15,000-ton class

while the smaller, Usuki Works, for Usuki.

Consolidated figures from Nissan

NISSAN MOTOR Company, the makers of Datsun cars, has reported consolidated net income Y590m (£490m) for the year to March 31, on sales of Y2.59 trillion (million million), equivalent to \$13.3bn.

These are the first consolidated figures released by the company.

Also publishing consolidated results for the first time, Nippon Kokan, the Japanese shipmaker and shipbuilder, has announced consolidated net income of Y4.25bn (£3.45m) for the year to March 31. Sales were Y1.24 trillion (6.64bn).

Nippon Oil Company's consolidated net income for the year to March 31 was Y2.61bn (£1.86bn). Sales totalled Y2.10 trillion (810.5bn).

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Matsushita sees stronger gains

TOKYO, July 28.

MATSUSHITA Electric Industrial Company has raised its consolidated profits and sales forecasts for the current financial year, ending in November, after achieving record results in the first half, helped by overseas sales of video tape recorders and stereo equipment and some recoveries in the domestic economy.

The net profit forecast is increased to "more than Y85bn (£436bn)", from the earlier estimate of Y80bn, to indicate a gain of 8 per cent on 1976-77. The sales estimate is increased to "more than Y2.05 trillion (million million)", equivalent to \$6.1bn, from Y822.65bn.

Export sales rose 12 per cent in the quarter to Y145.21bn, while six-month exports increased 14 per cent to Y295.75bn.

Consolidated net profit rose 10 per cent in the six months to Y159.23bn, while home appliance sales gained 8 per cent to Y79.41bn.

Export and domestic sales of video tape recorders and stereo hi-fi equipment were leaders in the first half increase, according to the company.

Communications, measuring and special equipment sales rose 15 per cent to Y58.34bn, and

industrial equipment sales expanded 8 per cent to Y45.84bn.

Lighting equipment, tubes and semi-conductor sales gained 5 per cent to Y41.13bn, and battery sales rose 16 per cent to Y9.17bn.

Although domestic consumer spending growth had remained backward, the company said, the nationwide business recovery was "gradually progressing as a result of Government economic measures".

Matsushita still faced problems with the appreciation of the yen and competition from developing countries, but had continued to emphasise the development of new, higher value products, and strong sales promotion campaigns designed to boost sales.

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Mullard plans £24m TV tubes expansion

BY JOHN LLOYD

MULLARD, the subsidiary of the Dutch company Philips and the UK's only surviving colour television tubes manufacturer, is to invest £24m over the next three years, mainly in the production of 20-in and 23-in colour tubes.

The Government is to provide a £1.5m grant for the investment under Section 7 of the Industry Act, 1972.

Announcing this yesterday, Mr Alan Williams, a Department of Industry Minister, said the Government was pledged to help TV set makers increase their use of UK made 23-in tubes from about 50 per cent at present to 75 per cent by 1980.

The bulk of the investment —£13.1m—will be at Mullard's Simeonite, Lancashire, plant, where a production line will be set up to manufacture 20-in 90-degree tubes for the first time.

Further £1.8m will be spent at the company's Durham plant on modernising the 23-in manufacturing facilities.

At Washington, Tyne and Wear, where components for the neck of the tube are made, some £2.4m will be invested.

and £900,000 will be spent at Crossens, Lancashire, where the magnetic components are made.

The investment in the 20-in and 23-in tubes is designed to meet what is seen to be a growing demand in Europe for tube sizes below 26 inches.

It is also designed to bring Mullard's share of the UK colour tube market up to the 75 per cent target set by Government.

No new jobs are expected from the investment. Mullard employs 4,000 people, and the company said that the investment to be known as Project Vanguard will increase the job security.

Mr Williams said yesterday that the Government supported Radio Council last year to increase the use of British-made components on British-made sets.

The initiative was taken at a time when Hitachi, the Japanese TV and electronics company, was attempting to begin colour TV production in the UK. The plan founded on concerted opposition from British trade unions and TV companies, including Mullard.

APPOINTMENTS

Chairman change at John Brown

Mr John Mayhew-Sauders has been made chairman of JOHN BROWN AND CO in addition to his position as chief executive. Lord Aberconway has retired from the chairman's post and remains on the Board and becomes the company's first president. Sir Eric Balfour has relinquished the deputy chairman's post and continues as a director.

Mr G. V. Maund, marketing director, ROCKWARE GLASS, has been appointed personnel director. Mr R. MacDonald Bailey, operations director, Rockware, Wheatley, has become marketing director in succession to Mr. Maund. Both appointments take effect from October 1.

Mr Bryan Jefferson, of Jefferson Sheard and Partners, has been elected senior vice-president of the ROYAL INSTITUTE OF BRITISH ARCHITECTS. Mr Gordon Graham continues as president for the 1973-74 session.

Mr Rod Rufus, airport manager for Coventry District Council, has been appointed to the post of director of the LIVERPOOL MUNICIPAL AIRPORT at a commencing salary of £11,200.

ALFRED HERBERT has appointed Mr. P. L. Chapman financial director. He succeeds Mr. D. M. Davies, recently appointed managing director of the machine tool division.

Mr. R. Atkinson, chairman of Aurora Holdings, has taken over the chairmanship of SAMUEL OSBURN AND CO, and its subsidiaries following the acquisition by Aurora.

Mr. Lawson Tolley has been appointed managing director of PAKAMAC which now becomes the leisure wear company of Clares Holdings within the Black and Edington Group. Mr.

Michael Smith has been made commercial director of member company Clark's Carlton. Mr. Michael Head has joined Clares Carlton as general sales manager from Kleber Tyres.

Mr. F. E. Earl has been elected deputy vice-president of the NATIONAL TYRE DISTRIBUTORS' ASSOCIATION. He is managing director of the Central Tyre Company, based at Dunstable.

Mr. John B. Price and Mr. David T. Hulse have been appointed directors of LEITCH AND SILLA-VAN.

Mr. Lionel P. Altman has been re-elected a director of EMRAY and has been made managing director.

Mr. Frank Newman has been appointed honorary chairman of the BRITISH WOODWORKING FEDERATION WINDOWS SECTION. He is managing and works director of Magnet Northern.

Mr. Stuart Wilson has been appointed head brewer and a director of LORIMER'S BREWERIES.

Mr. Hugh R. Snyder has been elected president, chief executive officer and a director of BRINCO from October 1. Mr. Graeme A. Elliott, recently elected president and chief executive officer to serve on an interim basis, will continue in that position until the beginning of October.

Mr. Alex Alexander, chairman of Imperial Foods and director of Imperial Grains, will join the board of MARCHWIEL on August 1 as a non-executive director.

Mr. Mark Radcliffe has been made managing director of TI METSEC following the appointment of Mr. John C. Johnson to the position of TI engineering divisions director of supplies.

Mr. Michael L. Cole has been announced sales director of ENVIRONMENTAL EMISSION CONTROL.

Mr. Geoffrey Cattriss has been appointed contracts director and Mr. Peter Rymer, sales manager, of PERY LANE (ARCHITECTURAL) a subsidiary of Percy Lane Group.

TV RATINGS
W/E July 16

UK Top 20 (viewers m)

1. The Incredible Hulk (TV)
2. London Eye (TV)
3. That's Life (BBC)
4. The Final (TV)
5. Life Begins at Forty (TV)
6. Coronation Street (Weds.) (Gran.)
7. The Salford Connection (TV)
8. The Salford Connection (TV)
9. Coronation Street (Fri.) (TV)
10. Coronation Street (Mon.) (Gran.)
11. Coronation Street (Tues.) (TV)
12. The Kroger Factor (Gran.)
13. Crossroads (TV)
14. Night Chase (BBC)
15. Don't Ask Me (TV)
16. Seaside Special (BBC)
17. You're Only Young Twice (TV)
18. The Salford Connection (TV)
19. Coronation Street (Fri.) (TV)
20. Coronation Street (Mon.) (Gran.)
21. Coronation Street (Tues.) (TV)
22. Stars Tuesday Movies (Nin.)
23. Rockford Files (drama) NBC
24. The Kroger Factor (Gran.)
25. Crossroads (TV)
26. Night Chase (BBC)
27. The Final (TV)
28. Life Begins at Forty (TV)
29. Coronation Street (Weds.) (Gran.)
30. Seaside Special (TV)
31. Coronation Street (Tues.) (TV)
32. Stars Tuesday Movies (Nin.)
33. Crossroads (TV)
34. Night Chase (TV)
35. The Final (TV)
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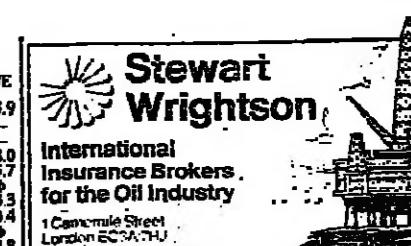
INDUSTRIALS—Continued

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CENTRAL AFRICAN

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MRS & SPENCER

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TOWN & CITY

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Saturday July 29 1978



MAN OF THE WEEK

In the family interest

BY MICHAEL THOMPSON-NOEL

HE WAS NOT brought up a rich man's son. As boy he lived in North Bay, Ontario, a pioneering isolated community given to fishing and the outdoor life where he was raised as the typical son of a typical family in the period just before and during the Depression. "We had the necessities of life but no luxuries. Our circumstances were simple but it was rather a good life and they are good days to look back on."

The vantage point from which Kenneth Thomson, the second Lord Thomson of Fleet, now 54, can look back on his North Bay boyhood is the chairmanship of the £250m Thomson Organisation, the publicly quoted arm of the Thomson family interests. In a move of some financial complexity, Lord Thomson this week reorganised the family interests, including all publishing and travel, so that the entire Thomson Organisation will become a wholly owned subsidiary of a Canadian holding company.

Lord Thomson of Fleet
Canadian regrouping

The Thomson family is relinquishing all its North Sea oil interests to a new company, International Thomson Organisation, in return for an increased stake, 81.3 per cent, in the enlarged Canadian company. In part, the plan was evolved to help handle the considerable sum of cash in which the Thomson interests will soon be awash. This year alone, group pre-tax profits are forecast at £125m (£90m from oil, £38m from the publishing and travel side). The new company will have around £100m in cash assets.

Monopolies Commission restrictions would have limited its room for manoeuvre both in travel and publishing, while if it had remained a UK company, exchange control regulations would have prevented it switching surpluses into international markets. The main shareholder, the Thomson family itself, is already resident in Canada and therefore able to gain from receiving dividends direct from the new Canadian company. In addition, Canada has no exchange control regulations and no dividend restraint.

In any event, the present Lord Thomson has never felt so confidently at home in Britain as his father, the late Roy Thomson, the genial, myopic, affected newspaper entrepreneur, part genuine, part hoodwinked, laid the foundation of the Thomson empire by selling anything from spark plugs and ice-making machines to radio sets. To this day he is remembered in the small towns of North Ontario as a man in a flapping rain-coat and black fedora, plodding happily through the snow to sell a dealer 50 cents of washers.

His son recalls that "it was not until he was 16 or 17 that affluence came to the family. After the Royal Canadian Air Force he went to Cambridge, returning to Canada to join the Timmins Press, the first paper his father ever bought. He bought it in 1932 when it was a fallen-down little bat-bed weekly. He built it up into a good solid rotary-printed daily." While on the Timmins Press, Kenneth Thomson wrote obituaries, covered city council meetings—the usual run of general reporting. By his mid-20s he felt it was time for a "stint of finance and advertising . . ."

He now controls and runs an organisation which over the next few years will generate capital surpluses of many hundreds of millions of pounds. The publishing and travel sides alone are to be £100m spent on them. The entire chain of regional news papers is to be computerised. A further £70m will be spent on the oil side, but the massive surpluses will be sufficient, in addition, to fund increased international investment in communications and leisure, particularly in the U.S.

These days he commutes between Toronto and London. He is tall, slim, a strong family man and devoted collector of sculptures and ivory. "The true collector is out of control. I am in love with my collection."

His style of management and personality differ from those of his father. "Kenneth has a much more recessive personality," said a business associate last night. "He hasn't quite the same thrust as his dad, but then he has strong interests outside the business."

Formula could avert civil servants' strike

BY PAULINE CLARK, LABOUR STAFF

MR. DENIS HEALEY, Chancellor of the Exchequer, stepped into the industrial civil servants' pay dispute yesterday to prevent a threatened 11-hour breach of his Phase Three pay policy.

He took the chair at a meeting with trade union leaders and with Ministers, which agreed a new formula for a return to negotiations on the pay claim.

With the expiry of the Government's 10 per cent pay guidelines and the official debut of its new 5 per cent regime on Monday, Mr. Healey called in three senior Cabinet members to work out a formula to end the industrial action which has already hit Britain's Polar submarine bases and threatened other defence establishments next week.

Mr. Fred Mulley, Defence Minister; Albert Booth, Employment Secretary, and Lord Pearl, Lord Privy Seal, met Mr. Moss Evans general secretary of the Transport and General Workers' Union. Mr. David Bassett, general secretary of the General and Municipal Workers' Union, and chairman of the TUC, and such as the firemen and the police under Phase Three.

The Amalgamated Union of Engineering Workers, Mr. Healey found himself confronting one of the most powerful opponents of a rigid Phase Four pay policy in Mr. Evans, over a dispute which could have wide implications for the success of the next stage of the Government's industrial pay policy.

The formula agreed yesterday was said in a statement from the GMWU to provide that "during this year's negotiations, the Government will not interpret its pay policy more rigidly for Government industrial workers than it has done for other comparable groups."

In response to the unions' claim that the 163,000 industrial civil servants involved are due for a "substantial" rise having been left behind in the past, the two sides also agreed to go ahead with a comparability study. This will be on similar lines to the old civil service Pay Research Unit comparisons with like jobs in the private sector.

This provision is rather less firm than the forward commitments on pay given to members of the pay claim. The industrial civil servants, who submitted a list of claims including a consolidation of the last two pay supplements and improved shift and overtime allowances, have rejected an offer of a new basic rate of £36.60 a week.

Reed and Guardian Royal cut S. Africa stakes

By Margaret Reid and Andrew Taylor

TWO LARGE British companies, Guardian Royal Exchange Assurance and Reed International, yesterday announced moves directed towards significant reductions in their interests in South Africa.

Guardian Royal Exchange, a large composite insurance group, is selling the bulk of its equity stake in Canadian Assurance Holdings (South Africa) in a £16m deal. The transaction will leave it controlling its general insurance operation in South Africa but with only a small holding in the life business.

Reed International, whose plan

is to sell its paper and packaging interests in Stanger and Nampak to Union Corporation, founder

of the principle has at long last been recognised that the

strength in a company's profits

should be reflected in its divi-

dividends.

So the equity market is now

at a delicate stage. The

next few weeks will show

whether there really is enough

momentum behind the buying

sideways movement.

Gold edged

Meanwhile the FT Govern-

ment's Index ended the

week with a marginal fall.

Prices of long-dated stock were

up to 4% better at one stage

yesterday, but drifted back

after the announcement of the

new partly-paid long tap, 2800m

of Exchequer 1998-2000.

There is no pressing urgency

for the authorities to sell gold

at the moment, since the fund-

ing programme appears to be

well ahead of schedule. But

with the exhaustion of the

long tap on Monday, there was

a danger that the long end of

the gold market could start to

run away if left untapped. If

the new stock and the existing

medium tap can be cleared out

over the next month or two, the

Government can be sure of its

funding requirements until well

after the election.

However, heavy shortages of

base rates should be consider-

ably higher, and Midland, in

common with the other banks,

should do much better. How-

ever, earlier buoyant estimates

for bank profits are now being

scaled down following the recent

figures. At the end of the year

Lloyds and Midland will do well

to match their 1977 profits,

NatWest should do marginally

better and Barclays, helped by

its conservative accounting in

the past, should do best of all.

The sector has been relatively

firm over the past month or so

but given the more cautious

forecast for 1978, there seems

little reason for it to outperform

the market in the next few

months.

THE LEX COLUMN

World markets hit new peaks

Index rose 3.3 to 492.1

short end of the gilt market over the next few months than movements in sterling.

Bank profits

A £14.9m drop in Midland Bank's interim pre-tax profits, to £27.5m, brought the clearing banks' interim profit season to a close. Once again most stock market analysts seem to have got their profit estimates wrong and the shares fell 13p to 352p, since the results were interpreted as worse than expected.

However, the real message of the recent bunch of results is that it is very difficult to compare the performances of these major financial institutions as long as they continue to keep their movements in bad debt provisions a secret. Midland, at least, is keen to reveal all—possibly even by the year end.

Whereas Barclays and NatWest are now clearly benefiting from an element of deferred profit because of earlier over-provisioning, Midland maintains that its charge to profits for bad debt provisions etc. was very much the same as last year. Consequently, its performance compared to that of Barclays and NatWest is nowhere near as bad as the published figures suggest.

Midland's performance was also hit by the seasonal nature of Thos. Cook's profits. Adjusted for this, profits in the first half of this year would have been £35m up on the second half of last year, rather than the reverse.

As it is, Midland's average sterling lending rose by over 25 per cent compared with the same half of last year and, although margins have been under pressure, it has increased its market share in line with its objectives.

In the second half, average base rates should be considerably higher, and Midland, in common with the other banks, should do much better. However, earlier buoyant estimates for bank profits are now being scaled down following the recent

figures. At the end of the year Lloyds and Midland will do well to match their 1977 profits, NatWest should do marginally better and Barclays, helped by its conservative accounting in the past, should do best of all.

The sector has been relatively firm over the past month or so but the discount market believes that the concession on dividend cover is only going to apply to a relatively small proportion of companies. But the argument

Weather

UK TODAY

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| DRY, sunny periods, rain from W. | S.E. Cent. S. Cent. N. England, E. Anglia, E. Midlands |
| Dry, sunny periods, Max. 23C (73F) | W. Midlands, Channel Islands, S.W., N.W. England, Wales |
| Dry, sunny periods, Max. 21C (70F) | Lakes, Isle of Man, N.E. N.W. Scotland, Glasgow, Highlands |
| Dry, sunny, rain later. Max. 20C (68F) | D. England, Borders, Edinburgh, Orkney, Shetland |
| Dry, sunny periods, Max. 18C (64F) | N.W. Scotland, N. Ireland |
| Cloudy, rain, Max. 20C (68F), Outlook Rain | |

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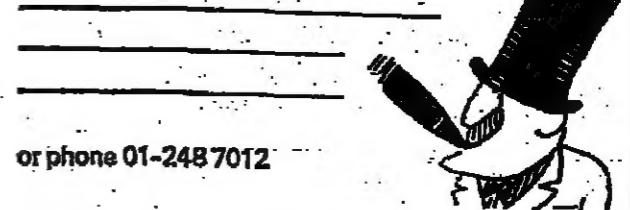
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Price of gold tops \$200

against 8.6 per cent on the previous day.

The pound benefited from the fall in the dollar and was generally firmer. It ended with a rise of 1.75 cent at \$1.9250, with its weighted index rising to 62.5 against 62.2.

The improvement in sterling helped the gilt-edged market and yesterday the Bank of England took advantage of the recent demand to announce another \$200m issue of long-dated tap stock.

Though liberal Democrats can be expected to fight the \$1.85m relief for capital gains approved by the committee when the Bill comes to the House floor. The stock will replace the an innovation, with the application of 2.5 per cent on the previous long tap, exhausted on Wednesday, August 22, and the rest on September 18.

The new issue also includes

paid form, spreading the calls on the market over the next two months and avoiding too heavy a drain of funds immediately, at a time when the money market is exceptionally short of liquidity.

To relieve this shortage, the Bank has announced this week the release of another \$240m of special deposits to the banks, to be paid back in late September